



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, MARCH 24, 2010  
12:00 NOON  
HOUSING AUTHORITY  
12131 TELEGRAPH ROAD  
SANTA FE SPRINGS, CA 90670  
(562) 347-4663**

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1. **Call to Order**
2. **Roll Call**

**Adriana Martinez, Chair**  
**Alberta Parrish, Vice Chair**  
**Henry Porter, Jr.**  
**Severyn Aszkenazy**  
**Lynn Caffrey Gabriel**  
**Zella Knight**  
**Mary Lou Leggett**

3. **Reading and Approval of the Minutes of the Previous Meeting**  
Regular Meeting of February 24, 2010
4. **Report of the Executive Director**

5. **Public Comments**  
The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

**Regular Agenda**

6. **Janitorial Services Contract (All Districts)**  
Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a one-year contract, in the amount of \$412,943, with Diamond Contract Services, Inc. for janitorial services at eighteen housing developments, the South County main office, and two Housing Authority administrative buildings; authorize the Executive Director to use for this purpose \$68,823 included



in the approved Housing Authority's approved Fiscal Year 2009-10 budget and \$344,120 to be requested through the Housing Authority's Fiscal Year 2010-11 annual budget approval process; authorize the Executive Director to execute amendments to the contract, following approval as to form by County Counsel, to extend the term for a maximum of four additional years, in one-year increments, with an annual compensation of \$412,943 plus a cost of living increase not to exceed the Consumer Price Index (CPI) for the County of Los Angeles as determined by the U.S. Bureau of Labor Statistics, using funds to be requested through the Housing Authority's annual budget approval process; authorize the Executive Director to amend the contract to add or delete sites, modify the scope of work, and increase the annual compensation by 10% for unforeseen project costs. (APPROVE)

**7. Construction Contract for the South Scattered Sites Unit Rehabilitation Project (District 2)**

Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a contract in the amount of \$126,300 to Dan Contractor, to complete interior rehabilitation work at six housing units located throughout unincorporated South Los Angeles, following approval as to form by County Counsel; authorize the Executive Director to use up to \$126,300 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose; authorize the Executive Director to approve contract change orders not exceeding \$25,260 for unforeseen project costs, using the same source of funds. (APPROVE)

**8. Adopt a Resolution Accepting the Voluntary Transfer of Housing Choice Vouchers from the Housing Authority of the City of Paramount to the Housing Authority of the County of Los Angeles (All Districts)**

Recommend that the Board of Commissioners adopt and instruct the Chair to sign a resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Paramount to HACoLA; and authorize the Executive Director to submit the resolution and all related documents to the U.S. Department of Housing and Urban Development (HUD). (APPROVE)

**9. Incorporation of Housing Assistance Payment Funds into the Housing Authority's Approved Fiscal Year 2009-2010 Budget**

Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2009-10 budget an additional \$18,000,000 in Housing Assistance Payments received from the U.S. Department of Housing and Urban

Development (HUD) as a result of increased leasing to Section 8 participants. (APPROVE)

10. **Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at [marisol.ramirez@lacdc.org](mailto:marisol.ramirez@lacdc.org), from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES  
MINUTES FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, February 24, 2010

The meeting was convened at the CDC Headquarters located at 2 Coral Circle, Monterey Park, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Adriana Martinez at 12:10 p.m.

<b>ROLL CALL</b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Adriana Martinez, Chair	X	
Alberta Parrish, Vice Chair	X	
Severyn Aszkenazy	X	
Lynn Caffrey Gabriel	X	
Henry Porter	X	
Zella Knight	X	
Mary Lou Leggett	X	

**PARTIAL LIST OF STAFF PRESENT:**

Sean Rogan, Executive Director  
Dorian Jenkins, Assistant Executive Director, Housing Programs  
Bobbette Glover, Assistant Executive Director  
Maria Badrakhan, Director, Housing Management  
Emilio Salas, Director, Administrative Services

**GUESTS PRESENT:**

Mr. Gary Blasi, Attorney at Law, UCLA School of Law Clinical Program, representing United Homeless Health Care Partners

**Reading and Approval of the Minutes of the Previous Meeting**

On Motion by Commissioner Knight, seconded by Commissioner Porter, the Minutes of the Regular Meeting of January 27, 2010 were approved. Commissioner Aszkenazy abstained.

**Agenda Item No. 4 – Report of the Executive Director**

Mr. Dorian Jenkins presented the following report:

The Internal Public Audit (IPA) has been completed for the 2009 Fiscal Year. There were two items that were focused on during their observation, covering the 2009 Fiscal Year. The Housing Authority is addressing the audit findings related to late tenant examinations and correct landlord payments

The Housing Authority has obligated all \$7,400,000 in ARRA funding and has met HUD's deadline. Staff is moving forward with the project expenditures and completion.

Ms. Bobbette Glover presented the following report on Ujima Village:

There are currently two occupied units. One single-family household will be served with an Unlawful Detainer and a lock-out is anticipated in six weeks, following the formal court eviction process.

One three-person household has been issued a Revised Notice of Eligibility changing the family's voucher from a three-bedroom to a two-bedroom. The head of household was granted a formal hearing with Housing Management staff and HUD was consulted in the process to ensure that the proper steps were taken. The HOH is not satisfied with the determination and is appealing HUD. A determination has not been made yet, but that decision will be final

A meeting was held with representatives from the Water Board, Department of Parks and Recreation, attorneys and environmental consultants. There has been no movement on the existing claims. It is anticipated that a second fact sheet will be issued near the end of March.

The second request for public records for the Ujima claims is currently at a standstill. One request has been withdrawn.

In response to a question from Commissioner Leggett, Ms. Glover advised that there are no signs posted around Magic Johnson Park or Ujima Village warning the public of any hazards. There are signs restricting fishing in the lake, but that concern is not related to petroleum contaminants.

A request will be brought to the Housing Commission in the future for approval of perimeter fencing and "No Trespassing" signs. Staff will consult with legal counsel to ensure compliance with Proposition 65.

#### **Agenda Item No. 5 – Public Comments**

Mr. Gary Blasi, the attorney representing United Homeless Health Care Partners, addressed the Housing Commission regarding the 2010 Annual Plan. Mr. Blasi expressed concerns regarding the adoption of the one strike rule and the homeless rule, which could result in being denied admission or termination from a program due to a missed appointment or failure to submit documents on time. He is also concerned about the extension of the "look back" rule for

drug-related or violent crimes. Mr. Blasi stated that he would like the Commissioners to consider the overall affect that the changes may make on individuals with mental health concerns. He feels that the many potential applicants will not qualify or meet the requirements for assistance.

### **Regular Agenda**

**On Motion by Commissioner Gabriel, seconded by Commissioner Knight, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE THE ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES (ALL DISTRICTS)

#### **AGENDA ITEM NO. 6**

1. Recommend that the Board of Commissioners approve the Annual Plan, as required by the U.S. Department of Housing and Urban Development (HUD), to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and the Section 8 Tenant-Based Program Administrative Plan.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign a Resolution approving the Annual Plan for submission to HUD, and authorizing the Executive Director to take all actions required for implementation of the Annual Plan.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required to receive approximately \$5,900,000 in Capital Fund Program funds from HUD for resident programs, operating costs, and the rehabilitation of 1,787 housing units at 13 Conventional Public Housing Program developments throughout Los Angeles County, as described in the Annual Plan.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Annual Plan all public comments received and approved for inclusion by the Board; and authorize the Executive Director to submit the Annual Plan to HUD by April 17, 2010.
5. Recommend that the Board of Commissioners find that the activities in the Annual Plan for Fiscal Year 2010-2011 are not subject to the provisions of the California Environmental Quality Act (CEQA) because they will not have the potential for causing a significant effect on the environment.

**On Motion by Commissioner Gabriel, seconded by Commissioner Knight, and unanimously carried, the following was approved by the Housing Commission:**

**APPROVE VACANT PROPERTY SECURITY SYSTEM CONTRACT FOR  
VARIOUS HOUSING DEVELOPMENTS (ALL DISTRICTS)  
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute and if necessary terminate a one-year Contract with Vacant Property Security, Inc. (VPS) to provide a vacant unit security system for the Ujima Village housing development and other housing developments as needed, following approval as to form by County Counsel, using a maximum of \$475,820 in Community Development Commission General Funds and \$5,000 in Conventional Public Housing Operating Funds included in the Housing Authority's approved Fiscal Year 2009-2010 budget for the this purpose.
2. Recommend that the Board of Commissioners authorize the Executive Director to execute Contract amendments, following approval as to form by County Counsel, to extend the Contract term for up to two additional years, in one-year increments, at the same annual compensation of \$480,820, using funds to be requested through the annual budget process.
3. Recommend that the Board of Commissioners find that approval of the Contract is exempt from the California Environmental Quality Act (CEQA) because the activities will not have the potential for causing a significant effect on the environment.

**On Motion by Commissioner Knight, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:**

**APPROVE A CONSTRUCTION CONTRACT FOR THE GENRERAL  
REHABILITATION OF THE KINGS ROAD SENIOR HOUSING  
DEVELOPMENT IN THE CITY OF WEST HOLLYWOOD (DISTRICT 3)  
AGENDA ITEM NO. 8**

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract in the amount of \$3,912,009 with Cal-City Construction, Inc. to complete the interior and exterior rehabilitation at the Kings Road senior housing development, using \$1,800,000 in Kings Road Operating Revenue and \$2,112,009 in Community Development Commission General Funds and following approval as to form by County Counsel.

2. Recommend that the Board of Commissioners authorize the Executive Director to approve contract change orders not exceeding \$782,401 for unforeseen project costs, using the Community Development Commission General Fund loan and following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the activities will not have the potential for causing a significant effect on the environment.

**On Motion by Commissioner Gabriel, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE CONSTRUCTION CONTRACT FOR WOOD REPAIR AT THE  
NUEVA MARAVILLA HOUSING DEVELOPMENT IN UNINCORPORATED  
EAST LOS ANGELES (DISTRICT 1)  
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute and if necessary terminate a Contract with CJPRO Inc. to complete the exterior improvements at the Nueva Maravilla housing development, following approval as to form by County Counsel, and using a total of \$258,300 in Community Development Block Grant (CDBG) funds allocated to the First Supervisorial District and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose.
2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$51,660 for unforeseen project costs, using the same source of funds.
3. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

**On Motion by Commissioner Parrish, seconded by Commissioner Knight, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE CONSTRUCTION CONTRACT FOR AIR CONDITIONER  
REPLACEMENT AT THE QUARTZ HILL I AND II HOUSING DEVELOPMENTS  
IN UNINCORPORATED QUARTZ HILL (DISTRICT 1)  
AGENDA ITEM NO. 10



1. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute and if necessary terminate a Contract with Western Group Inc., for Heating, Ventilating, and Air Conditioning (HVAC) improvements at the Quartz Hill I and II housing developments, following approval as to form by County Counsel, and using a total of \$346,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose.
2. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$34,600 for unforeseen project costs, using the same source of funds.
3. Recommend that the Board of Commissioners find that the approval of the Contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

**On Motion by Commissioner Gabriel, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

AUTHORIZE USE OF SECTION 8 ADMINISTRATIVE FUNDS TO PROVIDE  
LEASED VEHICLES WITH A FULL MAINTENANCE SERVICE PROGRAM  
(ALL DISTRICTS)  
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners authorize the Executive Director to use up to \$110,000 in Section 8 administrative funds to fund a five-year contract between Enterprise Fleet Management and the Community Development Commission (Commission) to provide five leased vehicles with a full maintenance service program for Antelope Valley Section 8 inspectors.

**On Motion by Commissioner Porter, seconded by Commissioner Gabriel, and unanimously carried, the following consent item was approved by the Housing Commission:**

CONCURRENCE TO APPROVE CONSTRUCTION CONTRACT FOR  
COMMON AREA FLOORING REPLACEMENT AT FOUR WEST  
COUNTY HOUSING DEVELOPMENTS (DISTRICT 3)  
AGENDA ITEM NO. 12

1. Concur with the Board of Supervisors/Commissioners' action to award and authorize the Executive Director to execute and if necessary terminate a contract with JR Universal Construction, Inc. to complete the replacement of common area flooring and other associated work at the Marina Manor I and II housing developments, Palm Apartments and West Knoll Apartments, using \$335,171 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for this purpose.
2. Concur with the Board of Supervisors/Commissioners' action and authorize the Executive Director to approve contract change orders not exceeding \$67,034 for unforeseen project costs, using the same source of funds.
3. Concur with the Board of Supervisors/Commissioners' action and authorize the Executive Director to incorporate \$402,205 in ARRA CFP funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above.
4. Concur with the Board of Supervisors/Commissioners' action and find that approval of the contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

**Agenda Item No. 13 – Housing Commissioner comments and Recommendations for Future Agenda Items**

Commissioner Porter commented on the following:

Commissioner Porter asked about the parking lot construction status for Orchard Arms. He expressed concerns regarding the coring of the parking lot and asked if there were any problems with the thickness. Mr. Geoffrey Siebens, Construction Management Division Manager, responded that the original parking lot designs were based on the current conditions, but as the construction progressed, prior to the concrete placement, surface differences were discovered which were subsequently addressed. Commissioner Porter asked if there is someone on-site to verify that the work is completed according to the required specifications and suggests that it be someone at the inspector level. Mr. Siebens responded that staff supervises the work, and the contractor must adhere to county and city codes. Mr. Siebens added that Housing Authority inspectors as well as County Building and Safety inspectors oversee the concrete placement.

Commissioner Aszkenazy added that we may want to look into having the coring done in advance, to reduce the time and money spent during the duration of the project for any unforeseen instances.

Commissioner Parrish added that work is being performed on the entire parking lot and that residents are experiencing problems due to the very limited street parking. Mr. Siebens responded that he is working with Housing Management staff and with the residents to minimize the inconvenience. Mr. Sean Rogan, added that immediate follow up will be taken regarding this matter.

Commissioner Gabriel inquired on the contractor's warranty period. Mr. Siebens responded that normally they have a one year warranty on any defect of the job.

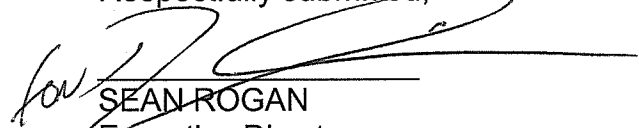
Commissioner Gabriel commented that she is appreciative of the knowledge that Commissioner Porter and Commissioner Aszkenazy have with the technical points of the construction jobs. She requested that going forward, the Commissioners be better informed as to the technical terminology and the various aspects of the projects.

Commissioner Martinez agreed that we are fortunate to have Commissioner Porter and Commissioner Aszkenazy, but she concurs that clarification should be provided when specific language or acronyms are used.

Commissioner Porter asked for an update on the new Commissioner list and organizational chart. An updated list will be provided at the next meeting.

On Motion by Commissioner Porter the Regular Meeting of February 24, 2010, was adjourned at 1:23 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Sean Rogan', is written over a horizontal line.

SEAN ROGAN

Executive Director

Secretary – Treasurer

**For Your Information**

## HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

FOR YOUR INFORMATION ONLY

GROUP NO.	SITE	ADDRESS	NO. OF UNITS	HUD DEV. NO.	PROJECT NUMBER	Year Built	Year Acquired
1	Carmelitos (family)	700 Via Wanda, Long Beach 90805	558	CA16P002001	SS1102	1939	1939
1	Carmelitos (senior)	761 Via Carmelitos, Long Beach 90805	155	CA16P002026	SS1102	1939	1939
	<b>Total Unit Count: Carmelitos</b>		<b>713</b>				
2	Harbor Hills (family/senior)	26607 S. Western Ave., Lomita 90717	301	CA16P002002	SS1203	1941	1941
	<b>Total Unit Count: Harbor Hills</b>		<b>301</b>				
3	Nueva Maravilla (family/senior)	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	504	CA16P002004	SS1301	1943	1942
	<b>Total Unit Count: N. Maravilla</b>		<b>504</b>				
4	West Knoll (senior)	638 West Knoll Ave., West Hollywood 90069	138	CA16P002014	SS3001	1977	1979
4	Palm Apartments (senior)	959 Palm Ave., West Hollywood 90069	127	CA16P002014	SS3002	1978	1979
	<b>Total Unit Count: West County 1</b>		<b>265</b>		<b>Admin Project XX0830</b>		
5	Marina Manor I (senior)	3401 Via Dolce, Marina Del Rey 90292	112	CA16P002013	SS3003	1983	1984
5	Marina Manor II (senior)	3405 Via Dolce, Marina Del Rey 90292	71	CA16P002027	SS3003	1983	1984
5	Ocean Park (family/senior)	175 Ocean Park Boulevard, Santa Monica 90405	22	CA16P002018	SS3006	1947	1985
5	Monica Manor (family)	1901-1909 11th Street, Santa Monica 90405	19	CA16P002097	SS3007	1987	1989
	<b>Total Unit Count: West County 2</b>		<b>224</b>		<b>Admin Project XX0835</b>		
6	Orchard Arms (senior)	23410-23540 Wiley Canyon Rd., Valencia 91355	183	CA16P002030	SS2001	1980	1980
6	Foothill Villa (senior)	2423 Foothill Boulevard, La Crescenta 91214	62	CA16P002029	SS2002	1981	1982
6	Quartz Hill I (family)	5028 West Avenue L-12, Quartz Hill 93536	20	CA16P002062	SS2003	1984	1984
6	Quartz Hill II (family)	42051 51th Street West, Quartz Hill 93536	20	CA16P002069	SS2003	1984	1984
	<b>Total Unit Count: North County</b>		<b>285</b>		<b>Admin Project XX0820</b>		
7	Francisquito Villa (family)	14622 Francisquito Ave., La Puente 91746	89	CA16P002015	SS4002	1979	1980
7	Carmelita Avenue (senior)	354-354 So. Carmelita Ave., Los Angeles, 90063	2	CA16P002091	SS4003	1955	1985
7	McBride Avenue (family)	1229 So. McBride Ave., Los Angeles, 90023	4	CA16P002021	SS4004	1968	1984
7	Williamson Avenue (family)	709-708 1/2 So. Williamson Ave., Los Angeles, 90022	4	CA16P002020	SS4005	1972	1983
7	Triggs Street (family/senior)	4432-4434 1/2 Triggs St., Los Angeles 90023	4	CA16P002097	SS4006	1984	1983
7	Simmons Avenue (family)	927 So. Simmons Ave., Los Angeles, 90022	4	CA16P002021	SS4007	1939	1983
7	4th & Mednick (family)	341 So. Mednick Ave., Los Angeles, 90022	2	CA16P002034	SS4009	1985	1985
7	Arizona & Olympic (family)	1003-1135 So. Arizona Ave., Los Angeles 90022	18	CA16P002048	SS4010	1984	1985
7	Whittier Manor (senior)	11527 Slauson Ave., Whittier 90606	49	CA16P002033	SS4011	1985	1982
7	Herbert Ave (senior)	133 Herbert Ave., Los Angeles 90063	46	CA16P002058	SS4012	1985	1984
7	Sundance Vista (family)	10850 Laurel Ave., Whittier 90605	41	CA16P002156	SS4014	1999	1999
	<b>Total Unit Count: East County</b>		<b>263</b>		<b>Admin Project XX0840</b>		
8	El Segundo I (family)	1928/3749 E. El Segundo Blvd., Compton 90222	30	CA16P002023	SS5001	1972	1982
8	South Bay Gardens (seniors)	230 E. 130th St., Los Angeles 90061	100	CA16P002032	SS5002	1982	1983
8	1115-16 W. 90th St. (family)	1115-16 W. 90th St., Los Angeles 90044	18	CA16P002091	SS5005	1970	1984
8	El Segundo II (2140) (family)	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	13	CA16P002052	SS5015	1982	1985
8	El Segundo II (2141) (family)	2141-2145 E. El Segundo Blvd., Compton 90222	5	CA16P002061	SS5015	1985	1985
8	9104-18 S. Bandera St. (family)	9104-18 S. Bandera St., Los Angeles, 90002	8	CA16P002080	SS5016	1983	1983
8	1535 E. 83rd Street (family)	1535 E. 83rd St., Los Angeles 90002	2	CA16P002080	SS5017	1985	1985
8	1615-17 E. 87th Street (family)	1615-17 E. 87th St., Los Angeles 90002	4	CA16P002067	SS5018	1982	1985
8	8739 Beach St. (88th & Beach) (family)	8739 Beach St., Los Angeles 90002	4	CA16P002056	SS5019	1982	1985
8	4212-20 E. Addington Street (family)	4212-20 E. Addington St., Compton 90221	3	CA16P002071	SS5020	1982	1984
8	W. Imperial (family)	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	9	CA16P002132	SS5026	1991	1992
8	Athens (family)	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	10	CA16P002127	SS5027	1988	1996
8	1527 E. 84th (family)	1527 E. 84th St., Los Angeles 90001	4	CA16P002107	SS5029	1998	1998
8	Jarvis Avenue (family)	12920 Jarvis Ave., Los Angeles 90061	1	CA16P002107	SS5030	1997	1997
8	Woodcrest I (family)	1239 W. 109th St., Los Angeles 90044	10	CA16P002066	SS5003	1983	1984
8	Woodcrest II (family)	1245 W. 109th St., Los Angeles 90044	10	CA16P002090	SS5003	1983	1984
8	1101-09 W. 91st (family)	1101-09 W. 91st St., Los Angeles 90044	16	CA16P002021	SS5006	1965	1983
8	1232-34 E. 119th (family)	1232-34 E. 119th St., Los Angeles 90058	2	CA16P002021	SS5007	1955	1986
8	1231-33 E. 61st (family)	1231-33 E. 61st St., Los Angeles 90001	6	CA16P002021	SS5008	1981	1983
8	1100 W. 106th Street (family)	1100 W. 106th St., Los Angeles 90044	10	CA16P002021	SS5009	1970	1984
8	1104 W. 106th Street (family)	1104 W. 106th St., Los Angeles 90044	10	CA16P002020	SS5009	1970	1984
8	1320 W. 107th (family)	1320 W. 107th St., Los Angeles 90044	18	CA16P002021	SS5010	1970	1984
8	11431-463 S. Normandie (family)	11431-463 S. Normandie Ave., Los Angeles 90047	28	CA16P002020	SS5011	1970	1984
8	1027-33 W. 90th (family)	1027-33 W. 90th St., Los Angeles 90044	6	CA16P002078	SS5014	1983	1986
8	W. 106th Street & Budlong (family)	1334-38 W. 106th St., 9410 & 11126 Budlong Ave., Los Angeles 90044	11	CA16P002079	SS5021	1983	1985
8	W. 94th & 95th Street (family)	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	8	CA16P002060	SS5022	1983	1985
8	W. 105th & 106th (family)	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	13	CA16P002124	SS5024	1991	1991
8	Century Wilton (family)	10025 Wilton Place, Los Angeles 90047	40	CA16P002020	SS5025	1985	1984
8	11248 S. Budlong (family)	11248 S. Budlong, Los Angeles 90044	6	CA16P002138	SS5028	1991	1996
8	1111th & Firmona	11117 & 11119 Firmona Ave., Lennox 90304	2	Pending	SS5031	1967	2008
8	Linsley	4621 & 4625 Linsley St., Compton 90221	2	CA16P002157	SS5032	1967	2008
	<b>Total Unit Count: South County</b>		<b>409</b>		<b>Admin Project XX0850</b>		

**Total Housing Authority-Owned - Conventional****2,962**

City of Lomita - Conventional	Lomita Manor (senior)	24825 Walnut St., Lomita 90717	78		SS1204	1985	1985
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**Non-Conventional Housing**

	Kings Road JPA (senior)	800-801 N. Kings Road., West Hollywood 90069	106	122-94014	UU0001	1980	1980
	Lancaster Homes (senior)	711-737 W. Jackman St., Lancaster 93534	120	122-94013	UU0002	1978	1979
	Santa Monica RHCP (family)	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90405	41	80-RHC-008	SS3005	1983	1984
	Vila Nueva RHCP (family)	958-678 S. Ferris Ave., Los Angeles 90022	21	80-RHC-008B	SS4013	1985	1985
	Willowbrook (family)	11718-11740 Willowbrook Ave., Los Angeles 90044	8	CA16-M000-385	SS8001	1975	1990
	Ujima Village (family/senior)	941 E. 126th St., Los Angeles 90059	300	CA16-E000-028	SS8001	1971	1995
	<b>Total Number of Units- Non Conventional</b>		<b>596</b>				

**Total Number of Units- HM****3,636**

**Modernization Construction Activity to be completed  
in FY 2008-09**

*FOR YOUR INFORMATION ONLY*

- 1 106th Street- Fire damage & rehab
- 2 1101-1104 W. 106th Street - Drainage project
- 3 Arizona & Olympic/-Smoke Detectors
- 4 Carmelitos - Replace interior stair treads
- 5 Carmelitos Senior - Hallway painting and repairing stairs
- 6 Carmelitos Senior - Replace carpet
- 7 Carmelitos-Replace Gas Lines Phase IV
- 8 Foothill Villa - Replace flooring
- 9 Francisquito-Replace carpet
- 10 Francisquito-Replace smoke detectors/exit signs
- 11 Francisquito-Replace windows and blinds
- 12 Harbor Hills - Remodel kitchens Phase I
- 13 Herbert-Fire Alarm
- 14 Herbert-Replace carpet
- 15 Linsley and Firmona - General rehab.
- 16 Marina Manor I & II - Replace elevators
- 17 Marina Manor- Install awnings
- 18 Marina Manor-Replace smoke detectors & exit signs
- 19 McBride-Paint Building exterior
- 20 Ocean Park-Termite Abatement
- 21 Palm-Replace smoke detectors
- 22 Palm-Upgrade Elevator
- 23 Quartz Hill-Replace air conditioners
- 24 Scattered Sites - Replace gates at 13 sites
- 25 South Bay Gardens-Replace Elevator
- 26 SSS-CCTV at 4 sites
- 27 Sundance Vista - Install irrigation and replace rear yard fencing
- 28 Westknoll-Replace smoke detectors
- 29 Whittier Manor - Replace stair treads
- 30 Whittier Manor-Entry Door Replacement

**30 Construction Contracts at 33 Housing Developments**

**Modernization Construction Activity anticipated to be completed  
in FY 2009-10**

- 1 Carmelitos- Parking Lots
- 2 Carmelitos Senior-ADA Kitchen remodels/smoke detectors
- 3 Carmelitos-Raised Garden Beds
- 4 Carmelitos-Resurface Playground
- 5 Foothill Villa-Elevator Upgrade
- 6 Foothill Villa-Replace smoke detectors
- 7 Francisquito Villa - Upgrade elevators
- 8 Harbor Hills - Remodel kitchens Phase II & III
- 9 Harbor Hills-Parking Lots
- 10 Harbor Hills-Resurface Playground
- 11 Herbert - Upgrade elevator
- 12 Lomita Manor-Elevator Upgrade
- 13 Lomita Manor-Replace boilers/trash chutes
- 14 Lomita Manor-Replace roof
- 15 Maravilla (Rosas)- Build Bridges to connect buildings
- 16 Maravilla (Rosas)-Upgrade Elevator
- 17 Maravilla- Parking Lots
- 18 Marina Manor I & II - Replace security gates
- 19 Ocean Park - Replace wall heaters
- 20 Ocean Park-Remodel kitchens/bathrooms
- 21 Ocean Park-Repair Stucco
- 22 Orchard Arms- Replace boilers/copper piping
- 23 Orchard Arms- Smoke detectors
- 24 Orchard Arms-Elevator Upgrade
- 25 Orchard Arms-Repave driveway
- 26 Quartz Hill-Replace water valves
- 27 SSS-Vacant Unit Rehab at 4 sites
- 28 Whittier Manor- Smoke detectors
- 29 Whittier Manor-Elevator Upgrade
- 30 Woodcrest-Replace Roof

**Anticipating 30 Construction Contracts at 24 Housing Developments**

**Community Development Commission**

February 26, 2010

FOR YOUR INFORMATION ONLY

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



SUBJECT: **UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors (Board) requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. To date, the CDC/HACoLA has been awarded \$33,603,148 of the \$114,312,431 applied for; with \$2,260,000 pending award notification.

Recipients of ARRA funding are required to report specific job creation and funding utilization information to the federal government on a quarterly basis. The CDC/HACoLA has been compliant with such requirements and, in addition to the funding updates already reported, will begin including job creation information in this memo. Updates are anticipated to begin in the April memo as projects swing further into action and more actual data on reported job creation is gathered.

**Funding Awarded**

**PUBLIC HOUSING CAPITAL FUND (CF)**

***Funding Amount:*** \$7,401,512 (by formula)

***Award of Funds:*** On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

***Use of Funds:*** The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units.

***Expenditure Levels:*** As of February 16, 2010, the HACoLA had expended \$1,603,060 of the \$7,401,512 obligated.

***Provisions:*** The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years.

***Funding Amount:*** \$5,924,000 (Applied for \$22,399,000 by competition.)

***Award of Funds:*** On June 22, 2009, the HACoLA applied for \$16,475,000 in funding for improvements addressing the needs of the elderly and/or people with disabilities and public housing transformation. Additionally, on July 21, 2009, the HACoLA applied for \$5,924,000 in funding for energy efficient/green community projects.

***Use of Funds:*** The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category in the amount of \$5,924,000. Funds were granted on

September 29, 2009, and are being used at the Nueva Maravilla housing development to reduce energy costs, generate resident and HACoLA energy savings, and reduce greenhouse gas emissions attributable to energy consumption.

**Expenditure Levels:** On December 1, 2009, the Board approved the acceptance of the funds and as of February 16, 2010, the HACoLA had obligated \$1,164,761. There are no expenditures to date.

**Provisions:** The HACoLA must obligate 100% of the funds within 1 year of the date in which funds become available for contracts. HUD requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years.

#### **COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R)**

**Funding Amount: \$8,080,528 (by formula)**

**Award of Funds:** The CDC submitted an amendment to the CDBG Program Year 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board on June 2, 2009. The CDC received the CDBG-R Grant Agreements on August 26, 2009.

**Use of Funds:** The CDC worked with the agencies affected by CDBG/ARRA regulations and submitted a final list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the list for the CDC's CDBG-R Program. Project activities include public improvements, housing rehabilitation, economic development, public services, and administration. As a direct result of CDBG-R eligible activities, the CDC has reported a total of 10.32 full-time equivalent jobs (that were created or retained) to FederalReporting.gov for the 2<sup>nd</sup> Quarter.

**Expenditure Levels:** As of February 16, 2010, the CDC had expended \$645,974.

**Provisions:** The CDC must use all CDBG-R funds by September 30, 2012.

#### **HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)**

**Funding Amount: \$12,197,108 (by formula)**

**Award of Funds:** The CDC submitted a completed application to HUD on May 18, 2009, which was subsequently approved the following June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County Departments on August 19, 2009, and the CDC received the HPRP Grant Agreements on August 20, 2009.

**Use of Funds:** Implementation of HPRP began on October 1, 2009; and the Departments of Public Social Services, Consumer Affairs, Children and Family Services, Community and Senior Services, and the Los Angeles Homeless Services Authority have been working collaboratively to deliver assistance to those in need. In addition, Neighborhood Legal Services began offering legal assistance and representation to persons and families with unlawful detainers on November 1, 2009. As of January 1, 2010, over 2,000 Los Angeles County residents have been screened for eligibility in order to receive HPRP benefits. However, many have been found to be ineligible because they do not meet the HPRP criteria. As of the 2<sup>nd</sup> Quarter report, 68 persons have been assisted (this is a correction from last month's update which stated 61 persons were served). We are currently focused on outreach and anticipate an increase in service accomplishments in upcoming months. In addition, as a direct result of HPRP eligible activities, the CDC has reported a total of 5.46 full-time equivalent jobs (that were created or retained) to FederalReporting.gov in the 2<sup>nd</sup> Quarter.

**Expenditure Levels:** As of February 16, 2010, the CDC had expended \$373,233.



**Provisions:** HUD requires that 60% of the funds be used within 2 years, and 100% in 3 years.

### Pending Grants

#### GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING

**Funding Amount:** Applied for \$2,260,000 by competition.

**Award of Funds:** The HACoLA applications for the Kings Road and Lancaster Homes Housing Developments are complete and are being considered for funding by HUD. The award notice is now expected to be published by February 28, 2010 (this is an update from last month's report which stated January 31, 2010).

**Use of Funds:** The HACoLA plans to use the funds for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

**Expenditure Levels:** There are no expenditures to date as this grant has yet to be awarded.

**Provisions:** If funds are received, 50% must be used within 2 years, and 100% in 3 years.

### Unsuccessful Grant Applications

#### JUVENILE JUSTICE AND CRIME PREVENTION ACT PROGRAM (JJCPA)/EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM

**Funding Amount:** Applied for \$974,283 by competition.

**Award of Funds:** The CDC submitted an application on April 27, 2009. The CDC did not receive this grant.

**Using the Funds:** Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

#### NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

**Funding Amount:** Applied for \$61,000,000 by competition.

**Award of Funds:** The CDC submitted an application on July 10, 2009. The CDC did not receive this grant.

**Use of Funds:** Had the CDC been awarded, the funds would have been used to supplement the NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm  
K:\CDBG Common\IGR-PI\ARRA Board Memo\ February '10 ARRA Memo

Attachment

c: Each Deputy  
Lari Sheehan, Deputy Chief Executive Officer, Chief Executive Office  
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office  
Jackie White, Deputy Chief Executive Officer, Chief Executive Office  
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors  
Lisa Rizzo, Principal Analyst, Chief Executive Office  
Scott Wiles, Special Assistant, Chief Executive Office  
Jenny Serrano, Program Specialist, Chief Executive Office

**The CDC/HACOLA**

**American Recovery and Reinvestment Act of 2009 (ARRA) Proposal and Award Tracking Chart**

As of February 26, 2010

ARRA GRANT OPPORTUNITY		FUNDING AGENCY	FORMULA AMOUNT/ \$ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	\$7,401,512	\$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	\$9,235,000	Did Not Receive	No
3	Capital Fund (competitive) - PH Transformation	HUD	\$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	\$5,924,000	\$5,924,000	Yes
5	Community Development Block Grant - Recovery	HUD	\$8,080,528	\$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	\$61,000,000	Did Not Receive	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	\$12,197,108	\$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	\$2,260,000	Pending	No
9	Edward Byrne Memorial Competitive Grant	DOJ	\$974,283	Did Not Receive	No
<b>Total Awarded Under ARRA as of 2/26/2010</b>			<b>\$33,603,148</b>		

\*Grant Agreement Received - Funds available for drawdown at U.S. Treasury.

**Subject:** FW: Legislative Update

FOR YOUR INFORMATION ONLY

**From:** Elisa Vasquez

**Sent:** Monday, March 15, 2010 9:31 AM

**To:** Directors/Managers

**Cc:** Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Gregg Kawczynski; Joan Wall; Jose Pilpa; Lynna Ochoa; Marcie Chavez; Meiwen Fang; Nicholas Teske; Raymond Webster; Robin Pointer; Samantha Harrison

**Subject:** Legislative Update

Hello,

Below please find an update on State and Federal legislative activity of interest to the CDC. Please let me know if you have any questions.

### **State Legislation**

On March 11, 2010, the Legislature adjourned the Eighth Extraordinary Legislative Session, which was called by the Governor in January 2010 to address \$8.9 billion of the State's \$19.9 billion fiscal shortfall. The Session closed with the Governor and the Legislature agreeing to only \$200 million in spending cuts. The Governor indicated that he vetoed the largest piece of legislation in the budget package because it did not take immediate steps to cut spending. In response to the Governor's veto, Senate President pro Tem Darrell Steinberg stated "It's baffling the Governor would veto \$2.1 billion in real budget solutions which were part of his own proposed package. Of the \$2.1 billion, approximately \$1.8 billion were identical to the Governor's proposal. He keeps saying he wants cuts, but when we give him \$2.1 billion in cuts, he won't take it." The Governor has indicated that he wants the Legislature to make cuts in the current year to immediately address the State's Budget crisis.

### **State Budget**

Last week, the Senate and Assembly Budget Subcommittees began hearings on the Governor's Proposed 2010-11 Budget. To date, the committees have taken no significant action on the Governor's Budget proposals. The hearings are scheduled through early May 2010. It is anticipated that the Budget Committees will hold off taking significant actions on the Governor's Budget until he releases his May Budget Revision.

### **Congress**

Congress returned to session at the end of last month, at which time the House revisited its healthcare reform strategy and jobs package that were put on hold during the D.C. snowstorms the weeks before. Several jobs bills are still being reviewed in Congress, while Speaker Nancy Pelosi has outlined provisions of a health care "corrections" bill that she hopes the House will pass this week, setting the stage for final congressional action on Democrats' health care overhaul.

### **Congressional Budget**

As the President and HUD's budget requests have been released, the next step is for the drafting of a budget resolution. The House and Senate Budget Committees are responsible for drafting and, following the traditional calendar, will make submissions to their respective floors for consideration and adoption in early April. Working with our Divisions, IGR has identified and relayed the CDC's funding priorities for Federal Fiscal Year 2011 to the County and our D.C. advocates.

### **Washington, D.C. Trip**

IGR is working with Divisions to produce the data requested by our Congressional delegation during our visits earlier this month. All thank you letters have been sent and follow-up information will be forwarded this week.

IGR will continue to monitor and report on these and any other legislative matters of impact to the CDC.

Elisa

**Housing Authority - County of Los Angeles**

FOR YOUR INFORMATION ONLY

March 24, 2010

TO: Housing Commissioners

FROM: Margarita Lares, Director, Assisted Housing Division

RE: **FSS PROGRAM UPDATE – FEBRUARY 2010**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

**Activities**

<b>RECRUITMENT</b>	72 9	Applications received Applications Sent
<b>ENROLLMENTS</b>	3	New FSS Participants
<b>MEETINGS</b>	1	HUB Cities Partnership meeting
<b>WORKSHOPS</b> Program Presentations	1	Program presentation at HUB Cities Partnership meeting
Money Smart Workshop	8 3	Disseminated Credit Repair informational Packets Disseminated budget informational packets
<b>REFERRALS</b>	1 3 1 4	Job referrals from the employment network job board CDC Home Ownership Program (HOP) Childcare information WorkSource Center employment workshops and job fairs
<b>GRADUATIONS</b>	2	FSS graduations

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:CJ:RM:dt

# News Articles

## FAIR HOUSING

# Landlord's Parental Supervision Rules Violated Familial Status Protections of Federal, State Law

A landlord's rules requiring parental supervision of children in common areas of an apartment complex violated the familial status protections of the Fair Housing Act and California law, ruled the U.S. District Court for the Eastern District of California. (*Pack v. Fort Washington II*, No. 1:08cc0177 DLB, 2009 WL 5216882 (E.D. Cal.), December 30, 2009)

Plaintiffs Tiffany Pack, her husband, and children lived in Fort Washington II apartments, which required parents to supervise children, restricted many activities without supervision, and prohibited specific activities in common areas. Amy Dodd, the manager of the complex, sent a notice to plaintiffs to clean the sidewalk chalk in front of their building. About the same time, plaintiffs asked the landlord to inspect and remediate mold they found in one of their bedroom closets.

Several months later, Dodd served the plaintiffs with notice of breach of their lease, accusing them of allowing their children to draw on the walkways, allowing their dog to bark, and using their backyard as a storage facility. The family accused the manager of harassing them and again raised mold issues.

Within a few weeks, a city housing code enforcement officer came to plaintiffs' unit to inspect it; on the same day, plaintiffs received a 60-day termination notice.

Plaintiffs moved for summary judgment, alleging that defendants violated the Fair Housing Act, the California Fair Employment and Housing Act (FEHA), and the California Unruh Civil Rights Act, and accusing them of unfair business practices, negligence, and retaliatory eviction. Plaintiffs sought damages and declaratory and injunctive relief.

## Fair Housing Act

Plaintiffs claimed that defendants discriminated against them on the basis of familial status in violation of Section 3604(b) of the Fair Housing Act, which prohibits discrimination in the terms, conditions, and privileges of rental housing. Section 3604(b) requires discriminatory intent and is analyzed under a burden-shifting paradigm.

The plaintiffs claimed that the requirement that adults supervise their children 10 years old and younger while outside is facially discriminatory under the act because it limits children's use of project facilities and subjects families with children to possible eviction. Defendants contended that the rule should be read in the context of the complex's entire noise and conduct regulation, which they argued is age-neutral and requires tenants to be responsible for the supervision of other occupants and guests.

The court held that defendants are free to impose rules for health and safety reasons, but concluded that the rules on supervision of children were overbroad. It granted the plaintiffs' motion for summary judgment on this issue, but rejected the motion for summary judgment on a rule

prohibiting bicycles, skateboards, rollerblading, and skateboarding, which wasn't limited to children.

The court said the plaintiffs did not make a prima facie case on this issue because they offered no evidence to support their claim that children engaged in these activities more than adults.

Plaintiffs also claimed that other rules requiring adult supervision and the notices related to chalk drawings on the sidewalk violated Section 3604(c), which prohibits discrimination based on familial status in notices, statements, or advertisements related to the sale or rental of a dwelling. Section 3604(c) does not require discriminatory intent.

## Court Ruling

The court held that certain rules restricting activities by children, including a rule imposing a 10 p.m. curfew on children under 18, violated Section 3604(c), and it granted summary judgment for the plaintiffs on those issues.

However, the court denied plaintiffs' motion for summary judgment on the notices the landlord sent to the plaintiffs regarding chalk drawings. These notices were not necessarily a limitation on children, the court said, but an attempt to maintain the property in a neat and clean condition.

Plaintiffs acknowledged that summary judgment was not appropriate on their claim for retaliatory eviction under Section 3617, and the court denied it.

California courts rely on federal housing discrimination law to interpret analogous provisions of FEHA. Therefore, the court held that violations of the Fair Housing Act also constituted violations of the parallel provisions of FEHA, and it ruled similarly on alleged FEHA violations.

Regarding plaintiffs' claims under the Unruh Act, the court said rules that restrict children and have been found to violate Section 3604 of the Fair Housing Act also can violate similar provisions in the Unruh Act, which requires intent. The court held that the rules found invalid under Section 3604(b) also are invalid under the Unruh Act.

The court said that violations of the Fair Housing Act, FEHA, and the Unruh Act constituted unlawful competition under the Unfair Business Practices Act, and the court granted summary judgment on that claim.

## SECTION 8

# Tenant Has No Private Right of Action To Sue HUD for HQS Violations

A Section 8 tenant has no private right of action to sue HUD for violations of federal housing quality standards (HQS), ruled the U.S. District Court for the District of Maryland. (*Gilchrist v. Bakshi*, No. RWT 09ev415, 2009 WL 4909439 (D.Md.), December 10, 2009)

Plaintiff Georgia Gilchrist brought an action against her landlord and HUD, alleging that she suffered damages when she moved into an apartment that did not comply with the HQS. HUD moved to dismiss, contend-

ing that there is no private cause of action against the department for HQS violations.

In addition to defects in her unit, plaintiff also alleged that she was illegally evicted and sought \$9 million in damages, return of her security deposit, an injunction ordering the builders to correct the problems in her unit without charge, and investigation into alleged corruption.

Plaintiff claimed that the public housing agency failed to enforce owner obligations and should not have made housing assistance payments to the landlord for a unit that failed to meet the HQS. She also stated that HUD should have given her another housing voucher for a unit that complied with the HQS.

### Court Ruling

The court said that plaintiff's complaint lacked information about the ownership and management of the property and HUD's involvement, if any.

Because the HQS are relevant only to Section 8 housing, the court assumed that the plaintiff leased property subject to Section 8.

Reading plaintiff's complaint liberally, the court said plaintiff probably was asserting a cause of action under the U.S. Housing Act of 1937 and contending that HUD violated implementing regulations by failing to enforce her landlord's obligations and by continuing to make housing assistance payments for a dwelling that did not meet the HQS. The court ruled, however, that the cause of action is not available to the tenant.

In *Perry v. Housing Authority of Charleston*, 664 F.2d 1210 (1981), the Fourth Circuit ruled that no private right of action arises under Section 8 and that tenants cannot sue as third-party beneficiaries of contracts between the housing authority and their landlord. The court noted that HUD's regulations also foreclose a private right of action to enforce the HQS.

Because plaintiff failed to identify a cause of action against HUD for which relief could be granted, the court granted HUD's motion to dismiss.

### RENT CONTROL

## Project Receiving J-51 Tax Benefits Remains Subject to Rent Regulation After Prepayment of BMIR Mortgage

A New York City apartment project which is no longer under federal rent regulation because of a mortgage prepayment is still subject to the city's Rent Stabilization Law (RSL) because the project receives J-51 tax abatement benefits, the New York Supreme Court, Bronx County, ruled. (*Ade v. Riverview Redevelopment Company, LP*, No. 307909/09, 2010 WL 60141 (N.Y.Sup.), January 7, 2010)

The case involves a Section 221(d)(3) below market interest rate (BMIR) project developed and owned by defendant Riverview Redevelopment Company, LP (RRC) and managed by defendant Grenadier Realty Corp.

After prepaying the mortgage, RRC notified the plaintiff tenants that their rents were being raised without re-

gard to the RSL. The defendants subsequently began eviction proceedings against the tenants for nonpayment of rent.

### Luxury Decontrol

Defendants relied on the luxury decontrol provisions of the Rent Regulation Reform Act, which exempt from rent stabilization vacant units and units occupied by high-income tenants with rents above certain levels. However, apartments receiving J-51 benefits were excluded from luxury decontrol.

In 1996, the New York State Division of Housing and Community Renewal (DHCR) issued an advisory opinion stating that participation in the J-51 program precluded luxury decontrol only when such participation was the sole reason a property was subject to rent regulation. The DHCR subsequently incorporated that position in its Rent Stabilization Code (RSC).

However, in *Roberts v. Tishman Speyer Properties, L.P.*, the New York Court of Appeals upheld an appellate division ruling that no building which participates in the J-51 program is subject to luxury decontrol. (For background, see *Current Developments*, Vol. 37, No. CD-21, p. 666.)

### Court Ruling

After reviewing the facts and circumstances of this case, the court concluded that it is controlled by the *Roberts* decision.

"While defendants have prepaid their HUD mortgage and are thus released from the rent restrictions of HUD's BMIR program they continue to receive J-51 tax benefits," the court noted.

The defendants attempted to distinguish this case from *Roberts* by pointing out that RRC never opted out of its status as a Personal Housing Finance Law Article 5 redevelopment corporation. As such, they contended, RRC isn't subject to the RSL.

Rejecting this argument, the court noted there is no evidence that the project is under any rent regulation apart from the RSL, while it is still benefiting from the J-51 program.

Accordingly, the court said, under the authority of the *Roberts* case, the defendants here continue to be subject to the RSL.

The court granted the plaintiffs' motion for a preliminary injunction barring the defendants from commencing or maintaining summary eviction proceedings.

### MORTGAGE FINANCE

## Florida Supreme Court Approves Use of Managed Mediation Program To Handle Residential Foreclosures

The Florida Supreme Court has approved the use of a uniform statewide managed mediation program to handle residential mortgage foreclosure cases and has adopted a model administrative order to be issued by each circuit chief judge. (*Final Report and Recommendations on Residential Mortgage Foreclosure Cases*, In re, No. AOSC09-



# Housing Affairs Letter

THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

Housing Affairs Letter Stories posted week of 2/13/10 - 2/19/10

## **(NEIGHBORHOODS) Mixed-Income Housing Questioned**

A study by professors with the U. of Chicago's School of Social Service Administration shows that residents in mixed-income communities tend to interact only with people whose economic status is similar to their own, belying the assumption of economic integration in housing that it would end the isolation of the poor.

The study contends that organized activities aimed at building a sense of community appear to have the opposite effect. Researchers studied three large mixed-income developments established by the Chicago Housing Authority where higher-income tenants pay market rents and former residents of public housing receive Sec. 8 housing voucher subsidies.

Meetings concerning crime attract a cross-section of tenants but they also can increase tensions because the higher-income residents tend to blame the former public housing tenants for any increase in crime, the study says.

The study, *Building "Community" in Mixed-Income Developments: Assumptions, Approaches & Early Experiences*, has been published in the new issue of *Urban Affairs Review*.

Researchers interviewed residents across income groups in the three developments as well as people who manage the developments (developers, property managers and service providers), community activists and public officials active in the neighborhoods.

The findings challenge the principal effort of HOPE VI, which helps demolish traditional public housing in favor of mixed-income communities. Atlanta, GA was the first city to embrace the concept and all of its present public housing consists of mixed-income neighborhoods.

02/19/2010 11:05 AM

### **Courts**

## **(CHINESE DRYWALL) First Chinese Drywall Trial Set to Begin**

The first federal trial in the nationwide Chinese drywall controversy is set to open Feb 22 in New Orleans.

The case is being closely monitored by homebuilders, manufacturers, lawyers and insurance companies, as the court is expected to set a minimum threshold for fixing homes where defective drywall was installed.

Seven Virginia plaintiffs whose homes have drywall manufactured by China-based Taishan Gypsum Co. are seeking to be compensated for the cost of repairing their homes.

At issue is whether the homes must be gutted, as the plaintiffs argue, or whether proper ventilation or other less costly fixes will suffice.

While the Chinese manufacturer has been served with court papers, the company has yet to respond. It was found in default in November.

Another Chinese drywall manufacturer, Knauf Plasterboard Tianjin, entered the case as an interested party and provided its view, claiming that bad drywall could be fixed by installing an air-filtration system.

In a surprising move, the company dropped out of the case after District Judge Eldon Fallon said this claim was scientifically unsupported. It remains unclear why Knauf pulled out of the case.

In his rulings on the multiple pre-trial motions, Fallon reiterated the court's intent to "use the hearing as a vehicle to consider the scope and extent of the appropriate remediation necessary for properties that are impacted by Chinese drywall."

That determination would be arrived at "with the hope that this will also provide some guidance for other cases similarly situated," Fallon writes.

*HAL* believes this case is a test case in a class action consolidation of thousands of cases nationwide.

02/19/2010 4:02 PM

## Public Housing

### **((HANO STUDY) HUD Slams HUD Over HANO**

A HUD study of the Housing Authority of New Orleans (HANO) reveals the housing agency "has suffered from severe management, operational and staffing problems. A private firm hired by HUD last October handled the study.

The study's findings are telling since HUD has had control of HANO's operations for several years and its executive staffing has been initiated at the department's headquarters in Washington, DC.

The report says that HANO/HUD staffers were under-trained to function properly and the agency relied too heavily on outside contractors to handle daily activities. Leadership of HANO lacked senior oversight of strategic vision and decision-making regarding the redevelopments of the four massive public housing complexes in the city destroyed by Hurricane Katrina in 2005, the study says.

The assessment shows that HANO has "weak or no internal audit and compliance functions leading to fraud, waste and abuse." HANO also operates its public housing and Sec. 8 housing voucher programs without accurate data on their financial condition.

The study says HUD is at least three to four years away from relinquishing control of HANO. HUD will hire a consultant to oversee daily cash operations.

02/19/2010 11:15 AM

### **((PUBLIC HOUSING) New Public Housing Resisted**

Hundreds of homeowners in Charlotte, NC oppose development of a seven-acre plot of land in south Charlotte into public housing. The land owners say the housing would not fit into the rural, farm-like character of the neighborhood.

The Charlotte Housing Authority and a developer want to build about 100 apartment units for low-income families near an exclusive country club. Opponents say the site isn't suitable for public housing because it lacks suitable transportation options, has few sidewalks and already overcrowded schools.

02/19/2010 11:08 AM

Seattle Mortgage Company (SMC), claiming SMC violated state and federal regulations in connection with fees plaintiff paid in connection with a HECM originated by SMC. A representative of Home Center Mortgage first contacted Labrador about entering into the loan.

At closing, plaintiff paid an origination fee of \$7,255.80 to SMC, which SMC conveyed to Home Center. SMC also paid a \$490 correspondent fee to Home Center in connection with the loan. Plaintiff alleged that by paying the correspondent fee to Home Center, SMC sought to induce Home Center to steer loans to SMC, creating a financial interest between the two.

Plaintiff claimed that because this financial interest existed, 24 C.F.R. Section 206.31(a)(1) of the HECM rules prohibited SMC from charging plaintiff the origination fee she paid in connection with her loan.

Plaintiff also claimed financial elder abuse, unfair business practices, and unjust enrichment under California law and sought leave to file an amended complaint. SMC moved for summary judgment.

### Regulatory Language

Regarding SMC's motion for summary judgment, the court examined the language of Section 206.31(a)(1).

The third sentence of the rule prohibits the borrower from paying any additional origination fee of any kind to a mortgage broker or loan correspondent. The fourth sentence says that a mortgage broker's fee can be included as part of the origination fee only if the borrower engages the mortgage broker independently and there is no financial interest between the mortgage broker and the lender. Plaintiff claimed that the payment to Home Center violated this provision because SMC and Home Center had a mutual financial arrangement.

SMC argued that Home Center was not a mortgage broker, but a loan correspondent and that the prohibition in the fourth sentence of the rule therefore didn't apply. Plaintiff said that Home Center was operating as a mortgage broker when it helped originate plaintiff's HECM, and it urged the court to read the term mortgage broker in the fourth sentence to include Home Center.

Although the HECM regulations do not define the term mortgage broker, HUD's Real Estate Settlement Procedures Act (RESPA) regulations do. Section 3500.2 of the RESPA rules define a mortgage broker as a person or entity "that renders origination services and serves as an intermediary between a borrower and a lender in a transaction involving a federally related mortgage loan."

### Home Center's Role

As the court noted, plaintiff submitted evidence that Home Center participated in the loan transaction as a mortgage broker under this definition: an agent from Home Center contacted plaintiff, arranged for her to enter into an HECM loan with SCM, and arranged for her to sign the necessary documents to establish the loan. The court also pointed out that Home Center referred to itself as a mortgage broker on its web site.

SCM relied on HUD letters and earlier versions of the HECM regulation to argue that HUD intended to distinguish between a mortgage broker and a loan correspon-

dent and meant to prohibit certain activities between lenders and mortgage brokers, but not between lenders and loan correspondents, as SCM characterized Home Center.

However, the court found that the two terms were not mutually exclusive. In addition, although it is possible that HUD was not using the term mortgage broker in a purely traditional sense in the HECM regulation at issue, the court said there was no evidence that HUD meant to exclude the common use of the term when it drafted the regulation.

### Court Ruling

The court was not persuaded that the restrictions in the fourth sentence of Section 206.31(a)(1) necessarily exclude loan correspondents in general or Home Center in particular, based on its activities in this transaction. The court denied SMC's motion for summary judgment.

Plaintiff also moved to amend her complaint to add a claim of negligence. SCM argued that the proposed negligence claim is futile because, as a general rule, a financial institution does not owe a duty of care to a borrower when the institution's involvement in the transaction does not exceed its conventional role as a lender.

In this case, however, plaintiff alleged that SMC participated in an unlawful scheme with a broker to steer prospective borrowers toward SMC's business. The court found this argument weak, but defensible, and gave her leave to amend her complaint.

### PUBLIC HOUSING

## Court Upholds PHA's Zero Tolerance Policy in Terminating Tenant's Lease Because of Son's Arrest

The Indiana Court of Appeals affirmed the termination of a public housing tenant's lease because of the arrest of her son for armed robbery, upholding the housing authority's zero tolerance policy. (*Bishop v. The Housing Authority of South Bend*, No. 71A03-0906-CV-273, 2010 WL 343362 (Ind.App.), February 1, 2010)

Erica Bishop and her 10 children were the named residents on her public housing lease with the Housing Authority of South Bend (HASB). Her lease included the standard provisions that the persons listed in the lease were the only persons permitted to live in her unit and that the HASB did not tolerate any criminal activity by named residents.

When HASB learned that Bishop's oldest child, Derek, had been arrested and charged for an armed robbery, it sent her a 30-day notice of termination, citing the lease's zero tolerance policy. The notice also stated that because the ground for termination was criminal activity, Bishop was not entitled to a grievance hearing.

### Claim for Possession

Bishop did not vacate within 30 days, and HASB filed a claim for possession in small claims court. In addition to challenging HASB's claim for possession, Bishop sought a jury trial; challenged the constitutionality of Indiana's

ejectment statute on due process and equal protection grounds; and moved the court to direct the attendance of Derek, a prisoner in a state facility, at all hearings on this matter.

Although Bishop and another of her children claimed at trial that Derek had moved out of the unit months before the robbery and that the rest of her family members were not involved in his criminal activity, police reports indicated that Derek used his mother's address as his own, referenced that address as "his house" when describing details of the robbery, and borrowed his sister's bandana to cover his face in the robbery.

The lower court issued a preliminary order for immediate possession to HASB, finding that Derek was a household member, he was convicted of armed robbery, the lease gave HASB the right to terminate the lease, HASB provided adequate notice, and Bishop remained in wrongful possession. The lower court also said these facts were supported by the evidence.

### Court Ruling

On appeal, the court rejected Bishop's challenge to the constitutionality of Indiana's ejectment statute. The court said the statute allows the trial court to make a preliminary decision about the right of immediate possession of property, while it preserves Bishop's right to a trial by jury on the ultimate issue as to whether she should be ejected from the property. The court held there is no constitutional right to a jury trial at the preliminary possession hearing in an ejectment proceeding.

The court also held that the trial court has "inherent discretionary power in the admission of evidence." Bishop argued that the trial court should have let Derek testify that he no longer lived at home and that she and her other children were not involved in his criminal activity.

The court noted, however that even if Derek had moved out, Bishop never notified HASB that he no longer was a member of her household, as required under her lease. Therefore, the court said, his absence from the premises

did not "controvert the HASB claim that Bishop had breached the terms of her lease."

Moreover, the court added, based on *HUD v. Rucker*, 535 U.S. 125 (2002), lack of family participation in the criminal activity did not absolve Bishop of her obligation to comply with her lease obligations. The court found no abuse of discretion in the trial court's refusal to order Derek's presence at the immediate possession hearing.

### Hardship Claim

Bishop also argued that HASB did not weigh the circumstances of the case, especially the hardship that eviction would cause her family. The court said that the lease and HUD rules allow HASB to consider the circumstances of a household when one member has committed a crime, but the lease also has a zero tolerance clause.

The court acknowledged that certain statements in HASB's brief "raised the troubling possibility that HASB could consider the connection of a household member to any criminal activity (no matter how serious) would warrant an eviction — even without HASB's considering all of the circumstances of the case." [Emphasis by the court.] The court found, however, that the criminal activity was serious enough to warrant eviction, and the trial court did not abuse its discretion when it granted preliminary possession to HASB.

Bishop argued that the lease was an illegal contract that was unenforceable because of HASB's significant amount of bargaining power. However, the court explained that HASB is funded with federal money and governed by federal law and regulation and that the lease provisions comply with federal regulation. The court found that this authority "rendered inapposite the Indiana common law 'bargaining strength' argument."

The court also rejected Bishop's due process claim, finding that she had ample notice, an opportunity to be heard, and an opportunity to confront witnesses.

The court affirmed preliminary judgment in favor of HASB.

## Section 8 fraud suspect told to repay \$19,000

*This story appeared in the Antelope Valley Press  
Wednesday, February 24, 2010.*

**By CRAIG CURRIER**  
**Valley Press Staff Writer**

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LANCASTER - A former Section 8 rental aid recipient facing three felony fraud and theft charges at the Antelope Valley courthouse agreed Tuesday to pay back about \$19,000 in benefits she received and spend 90 days in jail for the offenses.

If 26-year-old Kentrishia Cornelious, who had been on trial in a Lancaster courtroom, does not return all of the money before her next court date in September, an Antelope Valley judge could order her to spend up to one year in a Los Angeles County jail.

Cornelious, who pleaded no contest to one count of grand theft ending her trial after two days of testimony, also will be put on felony probation for three years and must complete 30 days of community service work with a Caltrans road cleanup crew. One count each of perjury by false affirmation for aid and receiving aid by misrepresentation were dismissed in exchange for Cornelious' plea.

Deputy District Attorney Adan Montalban said the punishment is strict, considering Cornelious' lack of a criminal history.

"If she had committed some kind of fraud in the past then it would be different," Montalban said.

Recovering all of the money is central to the agreement, Montalban said.

Robert Nadler, the attorney representing Cornelious, said his client plans to pay off the entire debt, though to do so by September might not be realistic.

Nadler said he hopes Cornelious will pay "at least a few if not several thousand dollars" by Sept. 13, when she is due in court again. At that time Cornelious will be formally sentenced following a restitution hearing and progress report on her payments.

"She'll be able to continue working, which will help her make payments," Nadler said. "She strikes me as a hard-working person, so I'm not sure what her thought process was."

While the attorneys could not agree on the exact amount owed to Los Angeles County's housing authority - the district attorney's office alleges it is \$19,203, but Nadler asked for a hearing to decide - Judge Jared Moses said the debt is certain to be high and ordered Cornelious to start making payments before her sentencing.

How much money Cornelious is able to pay prior to Sept. 13, Moses said, will determine whether she receives the lesser 90-day jail sentence.

Housing authority investigators became suspicious of Cornelious when, during a traffic stop Oct. 8, 2008, her parolee husband Jamie Cunningham told sheriff's deputies that he lived at the woman's home in the 37900 block of Antibes Court in east Palmdale. According to evidence presented during the trial, it was the second time Cunningham had been stopped by authorities and given Cornelious' address as his home.

His license and car, however, were registered to a different address, one that Cunningham testified he used briefly right after he was released from prison in 2007. Cunningham said he was living at a halfway house in Inglewood until he moved to Palmdale in February 2008, though he said he moved to a home on Opal Avenue and not Cornelious' Antibes Court house at that time.

Investigators believed otherwise, though, after searching her home and finding numerous items of clothing belonging to Cunningham, as well as several pieces of mail addressed to him and a weightlifting set, which Cunningham testified belonged to Cornelious' mother.

Cunningham, however, told authorities in October 2008 that the items belonged to him, according to housing authority investigator Gary Brody, who also testified during the trial.

Prosecutors showed jurors Cornelious' Section 8 application and her most recent annual re-examination packet, which did not list Cunningham as a resident of the home, nor revealed her employment at a chain restaurant.

On Oct. 9, 2008, the day after the investigation began, prosecutors said Cornelious wrote a letter to the housing authority terminating her participation in the Section 8 program.

Jurors also saw documents apparently signed by Cornelious, signifying her knowledge and acceptance of the program's terms and conditions.

Though Cornelious was a Section 8 recipient from June 2002 to October 2008, the charges go back only to December 2007, the earliest date authorities could confirm she was earning money at the restaurant without informing the housing authority.

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# Housing Affairs Letter

THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

Housing Affairs Letter Stories posted week of 2/27/10 - 3/5/10

## **(SEC. 8) Vouchers Ready After 10-Year Lapse**

Applications for Sec. 8 housing vouchers are being accepted by the Philadelphia Housing Authority for the first time in 10 years. Applicants will be placed on a waiting list for the first-come, first-served vouchers.

PHA presently has 17,000 families enrolled in the subsidy program but the number of hopefuls on the waiting list has been dwindling, officials say. The application window extends through March 15.

**Info:** <http://www.pha.phila.gov/>

03/05/2010 1:06 PM

### **Public Housing**

## **(COMPUTERS) Stimulus Money For Public Housing**

Two housing authorities will share in an allocation of \$160 million of grants under the American Recovery & Reinvestment Act (ARRA) distributed by the Commerce Dept. under its National Telecommunications & Information Admin. Broadband Technology Opportunities Program. The program is financed by the recovery law.

The Cambridge Housing Authority in Massachusetts receives a \$699,000 public computer center grant with an additional \$541,000 authority match to reopen and expand three public computer centers serving about 10,000 public housing tenants.

The Santa Fe, NM Civic Housing Authority is awarded a \$176,000 public computer center grant to expand the capacity of one public computer center and create an additional computer center at two public housing sites. The authority provides a \$52,000 match.

03/05/2010 12:41 PM

## **(RELIGIOUS SERVICE) Dallas Tenants Can Pray Again**

A ban on religious services at a Dallas Housing Authority (DHA) public housing complex is reversed after HUD leans hard on the authority's president. The Lake Highlands United Methodist Church began conducting worship services at the Audelia Manor elderly housing complex 14 years ago.

DHA President MaryAnn Russ shuttered the services saying it violates the authority's contract with HUD as part of church-state separation.

HUD officials were quick to refute the comment, saying the Fair Housing Act allows religious activity in common areas of public housing as long as no federal money supports it or it tramples on rights of other tenants.

HUD officials tell HAL they can't explain Russ' motives. They say Russ worked at the department's Washington, DC headquarters before assuming her role in Dallas.

03/05/2010 12:35 PM

## **(SEC.8 AID) Budget Cuts Into Sec. 8 Aid**

A move by Minnesota Gov. Tim Pawlenty (R) to eliminate the state's General Assistance Program could have a major impact on Sec. 8 housing subsidies and leave 15,000 of the state's poorest residents without any monthly income other than food stamps.

The assistance program provides up to \$203 a month to adults without children who can't work because of illness or disability. The assistance makes them eligible for Sec. 8 housing vouchers where they pay 30% of their income as a share of the rent.

The waiting list in the Minneapolis/Saint Paul area for a Sec. 8 voucher is nine years and elimination of the welfare assistance would force recipients to go to the bottom of the Sec. 8 list.

Pawlenty contends that the program elimination is necessary to fix the state budget deficit and pay for tax cuts he claims will create jobs.

03/05/2010 12:43 PM



# HDR

## CURRENT DEVELOPMENTS

In Housing, Community Development, Finance and Taxation

MARCH 1, 2010

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## Housing Groups Express Concern Over HUD Rental Assistance Plans, Reductions in Capital Programs

By Joseph P. Poduska

Housing groups criticized certain elements of the transforming rental assistance (TRA) initiative in HUD's fiscal 2011 budget, a proposal which calls for the voluntary conversion of up to 300,000 public housing units to project-based voucher assistance, but which also has the long-term goal of consolidating all HUD rental assistance programs.

To reduce the budget, the Administration would cut capital spending in several programs, but housing groups are resisting proposals to suspend new construction of Section 202 elderly housing, cut public housing capital grants, and eliminate HOPE VI.

The National Leased Housing Association, National Affordable Housing Management Association, National Multi Housing Council, and National Apartment Association sent a letter to HUD Secretary Donovan telling him that they cannot support the TRA initiative.

"HUD's plan to streamline the myriad of federal rental assistance programs into one type of rental assistance is well intentioned, but we believe, ill-conceived," the groups said.

### Support for Section 8

The housing organizations said that lenders and investors understand and respect the Section 8 project-based program and have participated in the preservation and recapitalization of thousands of affordable rental units.

"It is inconceivable to us, particularly at a time when the financial market remains extraordinarily risk-averse, that HUD would propose converting PBRA (project-based rental assistance) to an undefined hybrid of the project-based voucher program," they said.

The advantage of project-based Section 8 is the long-term contracts, which allow owners to obtain long-term recapitalization loans, the groups said.

Project-based voucher contracts and rent structures are not equivalent to Section 8 project-based assistance, and the lending and investment community has not accepted

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them for underwriting purposes as they have PBRA contracts, they added.

### **Public Housing Conversion**

"Our groups support the concept of providing public housing authorities the option to voluntarily convert the current funding stream into rental assistance, but HUD should look at the success of the PBRA model instead of the voucher model," the organizations said.

The letter commends HUD for recognizing the need to convert the inventory of rent supplement and Section 236 rental assistance program (RAP) housing to Section 8, but says these programs should be converted to project-based Section 8 as proposed in the House Financial Services Committee's draft preservation bill.

The housing groups also said that HUD should provide long-term project-based Section 8 contracts for moderate rehabilitation units, rather than project-based vouchers. The moderate rehab inventory has declined to fewer than 30,000 units from a high of 125,000 to 140,000, "yet HUD policy is thwarting their preservation," they said. The ability to use long-term project-based contracts with low-income housing tax credits presents an opportunity to recapitalize the remaining moderate rehab inventory, the groups added.

"HUD's refusal to renew these (moderate rehab) contracts for more than one year subject to annual appropriations while proposing conversion to project-based vouchers is wasting an opportunity," the groups said.

### **NAHRO's Plan**

The National Association of Housing and Redevelopment Officials (NAHRO) has authored its own proposal for the voluntary conversion of public housing to Section 8 project-based assistance.

While HUD included most of that plan in its fiscal 2010 budget, NAHRO is disappointed that the Administration did not follow through on that plan in the 2011 budget, said Saul Ramirez, NAHRO chief executive officer.

"The TRA has some features that certainly look attractive in some regards relative to small agencies and their ability to reposition their assets," Ramirez said. "But our preliminary assessment of the TRA proposal is that it is complicated and cumbersome and does not provide the kind of specificity to create confidence in the markets for future investment."

Ramirez added that there is no reason that Congress could not provide to PHAs the option of either the NAHRO plan or the TRA structure.

### **Differences in Proposals**

One attractive aspect of Section 8 project-based assistance is HUD's consistency in administering the program, a feature that has been attractive to investors, Ramirez said. He added that the goals of TRA should be to simplify the work flow while maximizing the delivery of hard units or vouchers for effective affordable housing.

One of the fundamental differences between TRA and the NAHRO proposal, according to Ramirez, is that the

latter would utilize project-based contracts administered under the Multifamily Assisted Housing Reform and Affordability Act (MAHRAA).

"HUD has an entire infrastructure at (the Office of Housing) that handles that," he said. "Why reinvent the wheel that can be easily modified by what we can call mark-to-market lite in public housing that allows agencies to better reposition and maintain the viability of their properties."

NAHRO also does not propose the regionalization of the voucher program while the HUD proposal appears to require PHAs that convert public housing projects under TRA to also accept regionalization. "We think that back-office functions are better served in a regional manner, but the local level is the key to effectively serving communities," Ramirez said.

A third difference, Ramirez added, is that NAHRO wants to rely on Section 8 project-based assistance, which "brings a reliable stream of un-prorated operational dollars to the property. We believe that in order to create a stable and forward-looking financial market that is open to the transformation of these properties, that this is a key element for us to tap into the private sector."

### **Elderly Housing**

In another budget matter, the American Association of Homes and Services for the Aging (AAHSA) supports the HUD plan to use Section 202 housing as a platform to provide supportive services, but opposes the Administration's proposal to suspend capital grants to fund new construction, said Nancy Libson, AAHSA director of housing policy.

"To say that we are disappointed and surprised about the loss of capital grants is an understatement," she said. "We're totally in support of the housing services agenda in the budget, and we think reforms can be made over the next year while we build new units. We don't think it is wise to stop building housing for very-low-income seniors at a time when there are 10 people waiting for every 202 unit on average, and the senior population is projected to double by the year 2030. So we are going to try very hard to get Congress to provide capital advance funds."

AAHSA wants to have an open discussion with HUD about how to improve the Section 202 program while providing services, Libson said.

The issues HUD raised about the program are largely administrative and under HUD's control, she added, except for the fair share requirement to spread the funds to each HUD region. This results in very small projects where it is difficult to provide supportive services in a cost-effective way, she said.

### **Other Comments**

Despite NAHRO's objections to the TRA proposal, Ramirez had some favorable comments for HUD's overall budget.

"We're really pleased that the Administration continues to reflect a stronger commitment to both housing and community development," he said. "We recognize these are difficult economic times and feel that it is a good starting point. We're looking forward to working with

Congress to help get closer to the mark in relation to what housing authorities and redevelopment authorities need."

The Public Housing Authorities Directors Association (PHADA) also views the HUD budget as a good starting point, said Tim Kaiser, PHADA executive director.

"The capital fund is disappointing, a \$500 million reduction," he said. "We understand that the ARRA (American Recovery and Reinvestment Act) money is out there and is being used as a one-time appropriation to stimulate the economy and create jobs. But we have a huge backlog of unmet need."

Kaiser also called for continued funding of the HOPE VI program, saying the Choice Neighborhoods initiative is not a good replacement. "It is a dilution of resources to

take a very limited amount of funding and use it not just for housing but also for community development, education, and transportation," he said. "There are some laudable objectives in Choice Neighborhoods, but we have budget realities and a lot of distressed public housing that exists."

The Council of Large Public Housing Authorities also said the proposed public housing capital funding is inadequate.

"While CLPHA appreciates the effort this Administration has made by providing AARA funding to housing authorities and fully funding the operating fund, CLPHA believes that funding at a level well below (annual) accrual is not consistent with HUD's goal of preserving affordable housing units," the group said.

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## FINANCE, MANAGEMENT AND DEVELOPMENT

### SECTION 8

### Guidance Issued on Allocation of Voucher Funds; HUD Emphasizes Importance of Program Management

HUD issued guidance on the allocation of federal fiscal year (FFY) 2010 Section 8 housing choice voucher (HCV) funds, emphasizing the need for PHAs to "appropriately manage" their programs within the funding provided for the calendar year and their net restricted assets (NRA).

Notice PIH 2010-5 (HA), issued on February 16, provides information on the allocation of renewal funding, along with eligibility requirements for the \$150 million set-aside for adjustments to PHA allocations.

Applications for set-aside funding are due March 9.

The notice also cautions that no additional funding is available to help PHAs that experience a shortfall during calendar 2010.

#### Program Management

The notice points out that, unlike prior years, Congress didn't require HUD to use PHAs' NRA to offset their 2010 voucher funding allocations.

"However," the notice adds, "HUD does plan to monitor NRA balances closely this year and will be requiring PHAs to submit NRA amounts in the Voucher Management System (VMS) on a routine basis."

The notice points out that funds in a PHA's housing assistance payments (HAP) NRA account can only be used for eligible HAP needs in current and future years and cannot be used for other purposes, such as administrative costs, or be transferred to other programs, such as public housing.

"Use of HAP for any purpose other than eligible HAP needs is a violation of law, and such illegal uses or transfers will result in sanctions and possible breach of the ACC," the notice says.

#### Funding Calculations

In allocating renewal funding, HUD will establish a baseline based on leasing and cost data in the VMS for FFY 2009 and will make adjustments for the first-time renewal of certain vouchers and for deposits to Family Self-Sufficiency escrow accounts.

The HUD-published renewal funding annual adjustment factor (AAF), increased by 25 percent to account for the time between the end of the re-benchmarking period on September 30 and the end of the calendar year, will be applied to the adjusted amount.

If the available funds won't cover the full funding eligibility for all PHAs, HUD will prorate the allocations,

but it anticipates that any proration will be at least 99 percent.

#### Adjustment Set-Aside

The \$150 million set-aside for additional adjustments can be allocated to PHAs in one of four categories: significant increase in renewal costs due to unforeseen circumstances; voucher leasing rates at the end of calendar 2009 that exceed the average rate for the 12-month period used to establish the allocation; costs associated with Veterans Affairs supportive housing (VASH) vouchers; and vouchers held out of use to be available for project-based commitments.

Examples of unforeseen costs, according to the notice, could include HUD's rescission of a payment standard waiver approved in calendar 2009 to avoid termination of families' assistance, unforeseeable increases in rental costs that exceed the applicable renewal AAF, and an increase in per-unit housing assistance due to economic conditions resulting in lower tenant rent payments.

The adjustment for project-based vouchers will apply only to vouchers earmarked for newly constructed or rehabilitated housing, the notice says, since there is no need to withhold vouchers for project-based commitments for existing housing.

In addition, adjustments won't be made for units under an agreement to execute a HAP contract which, when added to units under lease for calendar 2009, exceed the PHA's baseline units under ACC, since restrictions on over-leasing would have prevented the use of those withheld vouchers anyway.

The notice also provides guidance on the allocation of funds appropriated for administrative fees. It points out that beginning in calendar 2010, HUD will no longer reduce the fee for PHA-owned units.

### SECTION 8

### Chicago Housing Authority Policy Changes Allow Owners To Requalify Rental Units

The Chicago Housing Authority (CHA) has made changes to its Section 8 voucher program inspection standards that will allow landlords to requalify rental housing that has failed past inspections and to qualify units that previously were eliminated due to neighborhood conditions. The changes expand the potential inventory of units that can participate in the program.

During the past few years, apartments were ineligible for the voucher program if they were on a block with three or more abandoned buildings, three or more vacant lots, or visible or documented drug activity. CHA said that these criteria will no longer be emphasized.

However, units can still fail inspections if vacant buildings are not properly secured, if vacant lots are not properly maintained, if there are abandoned cars or drug activity, or if there is any situation in the immediate area that may present a hazard to a voucher household.

### Policy on Repairs

In a change to its marginal unit policy, CHA is providing property owners the opportunity to make necessary repairs to housing units that were banned or terminated from the program for having 11 or more housing quality standard (HQS) violations, a lead-based paint violation, or other circumstances that led to a poorly maintained unit. If a unit fails inspection for these reasons, CHA will require the owner to make repairs within a set deadline.

Until recently, CHA inspectors cited all units that had defective paint, but this policy has been revised. Defective paint will be cited only if the unit was built prior to 1978 and a child under six is or will be residing in the unit.

If the condition of the paint is above a minimum threshold, then repairs must be performed by a person certified in lead-safe work practices. The threshold is defined as an area of deteriorated paint that is more than two square feet on interior surfaces, more than 20 square feet on exterior surfaces, or more than 10 percent of small interior or exterior components.

A lead-based paint clearance test is required by a licensed clearance examiner, and the test must be submitted and approved by CHA before an above-threshold item can be removed from the deficiency list. If the deteriorated paint falls below the threshold, a landlord can correct the deficiency by removing the paint and repairing affected areas.

### Deadline Extension

The CHA may grant an extension to a deadline when a repair must be made but a part cannot be obtained within 30 days. Typically, not getting repairs done in this time could put a unit at risk of a housing assistance payments (HAP) abatement.

CHA said it will approve an extension if the HQS deficiency is not life-threatening, all other deficiencies unrelated to the use of the part are corrected, and proof is provided that the part was ordered in a timely manner and cannot be obtained in time to make the repair.

### AFFORDABLE HOUSING

## Fresno Housing Authority Turns To Real Estate Development

The joint housing authority for the city of Fresno and Fresno County, Calif., is shifting from its traditional role of administering HUD housing programs to include real estate development and asset management of other affordable low-income housing, said Preston Prince, executive director, who describes the change as a transformation for the combined city-county agency.

"It is really important for us figure out new financial models for this organization to make a more lasting im-

pact on our community and fulfill our mission," said Prince, who was hired in November 2007, based in part on his development background.

The transformation is "not development for development's sake," he said, adding that part of the agencies' mission is to provide economic opportunities for families working in partnership with the schools and community organizations.

### Reason for Change

The need for a transformation at Fresno and other housing authorities has been driven home by the Section 8 voucher program's unpredictable funding and rising costs in recent years, Prince said, noting that Fresno experienced a \$10 million increase for its 12,500 voucher inventory during 2009.

"Our families were really impacted by the economic downturn, and they came in and sought rent adjustments after they lost jobs or had reduced hours," Prince said. "We really struggled hard to make up the increase in expenses. We were lucky we had reserves and received \$1.5 million in supplemental funding from HUD."

"If we have local revenue streams and other federal dollars, it just makes us stronger as an agency," said Prince. "We are not giving up on federal dollars, but we at least want to continue serving our population that we serve now."

The Obama Administration's proposed three-year freeze on discretionary spending underlines the need to develop other income sources, he added.

### Development Expertise

Prince's career includes work as a senior housing developer for the Seattle Housing Authority, where he was on the development team for two HOPE VI redevelopment projects. Before moving to Fresno, he headed the Aurora, Colo., Housing Authority, which developed 13 low-income housing tax credit projects during his tenure.

The housing authority is acting as the real estate developer for the 215-unit Parc Grove Commons project in Fresno, a \$37 million mixed-finance development. The planning for Parc Grove started before Prince joined the agency, but the original financing fell apart during the 2008 credit crunch when the lender walked away from the 4 percent tax credit deal with tax-exempt bonds.

Capital funds from the American Recovery and Reinvestment Act (ARRA) were a key part of the new financing, which, along with public housing replacement factor funds, provides most of a \$5,322,730 subordinate loan from the agency. The Wachovia Affordable Housing Community Development Corporation, a Wells Fargo Company, bought 9 percent tax credits and supplied \$23,460,403 in equity.

Other sources of financing include the Housing Relinquished Fund Corporation, a PHA instrumentality, \$3,007,435; California Community Reinvestment Corporation, \$2,900,000; Fresno city HOME funds, \$2,000,000; City of Fresno Redevelopment Agency, \$500,000; and interest accrued on Fresno capital funds, \$193,750. In addition to the permanent financing, Wells Fargo provided a 30-month construction loan of \$10 million.

## Supervisor not serious about Section 8 woes

**R**e: The recent Section 8 meeting was reported in AV Press.

Supervisor Antonovich, remarks by both yourself and Sean Rogan are full of serious contradictions. Your disapproval of Mayor Parris' complaints about Section 8 is disgusting. The mayor and everyone in the Antelope Valley have every right to object to the way Section 8 has been used to devalue our property and to make slums of good areas.

Rogan claims that "recipients can continue receiving Section 8 benefits as long as they meet its household-income requirements." Is he saying that nothing can be done if they violate the "rules?" That cannot be true if, in fact, some have been removed from the program as we have been led to believe.

Tell me Supervisor, have those who have been "recommended" for removal in the past actually been removed? We never hear about them again.

If the local governments cannot handle the program initiated by the federal government, then we should demand federal marshals to come clean up the mess. After all, it is their program. The Constitution says that local laws apply.

Your statement that "These homes and apartments (rented by Section 8 recipients) are not government built, so we aren't housing them" is ludicrous on its face. If the L.A. County Housing Authority is not housing them, then who is?

Get serious Supervisor, and clean up this mess, or we will have to elect one who will.

**Robert F. Tillman**  
Green Valley

# Housing Affairs Letter

THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

Housing Affairs Letter Stories posted week of 3/6/10 - 3/12/10

## Public Housing

### (EXPERIMENT) City Maps Post-Public Housing Effort

Chicago Housing Authority (CHA) officials tout programs they have devised as a replacement for the HOPE VI program, which the Obama administration, and the Bush administration before it, wants to end. The CHA wants to replace HOPE VI with its own program as a possible solution to public housing issues for the nation's most vulnerable families.

While it appears on face that the end of HOPE VI is near, enough key lawmakers are prepared to fight to retain the program with improvements. But the White House wants none of it because of its general focus.

The administration advances the Choice Neighborhoods Initiative as its answer to HOPE VI, which is reviled in some quarters as a decimation of public housing. Labor unions and public housing tenant rights groups back the administration initiative as a successor program, blaming HOPE VI for diluting tenant power bases consolidated in concentrated public housing.

Despite the success of the Atlanta HOPE VI experiment led by Atlanta Housing Authority Director Renee Glover, tenant rights groups have slammed the effort as a dilution of neighborhood cohesion even though crime in Atlanta has plunged after the social change.

CHA officials, faced with similar hurdles, say they have problems resolving placement for difficult to house tenants. They offer the Chicago Family Case Management Demonstration program as a means of providing the hard to house sector with more intensive family case management by reducing the numbers of cases managers can handle to 25. The program also concentrates on relocation, jobs, financial education, mental health and substance use support. As part of its demonstration, CHA wants to have weekly contact with participants and provide relocation workshops, financial literacy help and a means of providing transitional jobs.

Later in the demonstration, CHA looks to help with lease compliance, reduce evictions and help tenants understand housing choices, while increasing the hard to house's motivation and attachment to families, jobs and schools. Ultimately, the hope is to move the hard to house into stable mixed-income areas or voucher units, while helping them to increase employment and earnings, improving conditions for children and improving overall quality of life.

CHA officials say the demonstration began after the agency created a portfolio and found gaps in services. It formed FamilyWorks to integrate case management, workforce development, health and support services, leaving it better positioned to help foster integrated services between service providers and types of service. FamilyWorks, CabriniWorks and the Horner Engagement Program serve 10,250 families at CHA properties or those using temporary Housing Choice Voucher units.

CHA says its integration of services has residents better prepared to transition out of public housing and CHA is in the midst of creating a classification system to improve services to residents. Also, CHA is looking at the possibility of creating supportive housing and assisted living alternatives.

**Info:** 312/913-7830

03/12/2010 12:16 PM

# Los Angeles County to consider limiting rental assistance for homeless

March 9, 2:41 PM LA Homelessness Examiner Joel John Roberts



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Los Angeles County considering housing limitations.  
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many years.

A recent study by the Economic Roundtable and the Los Angeles Homeless Services Authority showed that permanently housing a chronic homeless person reduces public costs by 79%. Otherwise, the county cost to care for a homeless person is \$33,876 per individual.

Housing the most chronic homeless population is a trend in cities across the nation. Most regions that have successfully reduced homelessness used Section 8 vouchers as an effective approach.

The proposal will be debated at the board's March 23rd meeting.

Advocates across Los Angeles are worried that the County Board of Supervisors will approve a proposed change to the region's Section 8 rental subsidy program. The proposal effectively bars the board from setting aside Section 8 housing vouchers to help increase the supply of permanent supportive housing.

The Housing Authority of the County of Los Angeles administers 21,000 housing vouchers for low-income residents, including people who are homeless. With nearly 50,000 people who are homeless in the county, advocates believe that homeless people should have priority for these vouchers.

Within the county proposal are stringent rules to deny people housing based on failure to deliver documents or missed appointments. A letter from the UCLA Public Policy Advocacy Clinic states: "The impact of a 'one strike' policy for missed appointments or deadlines is draconian for everyone, but particularly so for homeless individuals and people with many kinds of mental disabilities."

Experts conclude that placing chronic homeless people in permanent housing is the most effective solution to homelessness, particular for those people who have been living on the streets for



### **Antonovich part of Section 8 problem**

**I** have written a number of letters with the objective of making Supervisor Michael D. Antonovich recognize and become willing to take appropriate action to stop the very bad effects of the Section 8 program

as controlled by the Los Angeles County Housing Authority.

We have all been made aware for the last several years that this part of Los Angeles County has suffered devaluation of property, fraud, crime and area deterioration because of the dumping of undesirable people here due to the methods of operation of the Section 8 program.

It seems that most of the employees of Los Angeles County, including the supervisor, are determined to continue the crimes against the Antelope Valley. Periodically we read someone who lied in the application was a county employee, broke the rules, committed crimes, trashed the house or other unreasonable behavior has been detected and is to be disciplined, but we seldom or

never read of the actual results.

Recently, we were supposed to be grateful that one Section 8 fraud suspect is on trial. But it took more than a year to prosecute this grand theft, and your prosecutor expressed sympathy for the thief. What else did the housing authority ignore? How many lived in the house? Why was such an expensive rent needed? Had others complained about activities at the house? How little you deem to tell us. We only pay all the bills.

**Robert Tillman**  
Green Valley

# NAHRO Monitor: March 15, 2010

## NAHRO News

### *Fly in Early to Attend a Pre-Conference Seminar During the Leg. Conference*

The Professional Development Department is offering four pre-conference seminars on March 26-27 in conjunction with the 2010 Legislative Conference. You can choose from Ethics and the Housing and Community Development Commissioner; Commissioners' Fundamentals; Marketing, Image-building, and Community Engagement; and Understanding the Basics of Tax Credits. The courses are taught by NAHRO Faculty, who are skilled communicators and focus on enhancing programmatic skills that enable participants to more effectively perform their agency duties. Don't miss your chance to learn from real-life case studies at these hands-on interactive sessions. For more information, visit [www.nahro.org/conferences/legseminar.cfm](http://www.nahro.org/conferences/legseminar.cfm).

### *President's Message: Preparing for the 2010 NAHRO Legislative Conference*

The long-awaited Legislative Conference will begin on March 28 and run through March 31, 2010. The hotels are filling up fast, and I encourage you to register for the conference and reserve your room. If you'd like more information, please visit the NAHRO website and view the conference's dynamic agenda.

This year's conference is packed with interesting sessions and exciting speakers. On Sunday, March 28, experts from the Concord Coalition, the Economic Policy Institute as well as former White House Council of Economic Advisors member Donald Marron will provide us with "Perspectives on the Federal Budget." Former CNN Washington Bureau Chief Frank Sesno will be the keynote speaker of our Monday morning session. Mr. Sesno currently heads the George Washington University School of Media and Public Affairs, where he leads a public affairs project called Planet Forward, an innovative, viewer-driven PBS program and website focusing on energy, climate and sustainability issues. The Monday afternoon plenary session will feature Stuart Rothenberg, editor and publisher of the Rothenberg Policy Report, and Barry Bluestone, whose pioneering studies in affordable housing, local economic development, workforce training and labor-management relations mark him as one of the nation's most influential urban and regional experts. Also, don't forget the Poster Contest Auction—on Monday night, attendees will get their chance to bid on the artwork that comprises our 2010 Housing America calendar.

Not all of Tuesday is reserved for congressional office visits—we also have two highly educational and informative events scheduled. From 2-3 pm, Chad Chirico, an analyst for federal housing programs at the Congressional Budget Office, will speak at our Hill event; afterwards, back at the hotel, we will have a special plenary session featuring Xavier Briggs of the Office of Management and Budget.

I also encourage you to take advantage of this opportunity to visit your Representatives' offices in Washington, D.C. and push for additional funding and legislation. If you haven't already done so, please take a look and review NAHRO's Legislative and Regulatory Agenda for 2010. In the agenda, NAHRO calls upon the Administration and Congress to remain fully committed to HUD's core programs. The agenda addresses preserving the nation's investment in public housing, promoting reasonable and flexible federal oversight, strengthening and simplifying the Section 8 rental assistance programs, maintaining HUD's role as the leading federal partner for community and economic development, incentivizing green building and energy efficiency, addressing the unique needs of smaller agencies and rural communities and supporting HUD's ongoing transformation efforts.

But Congressional outreach is not our only order of business. Recently, NAHRO's Steering Committee approved fifteen objectives (identified during the recent leadership retreat) that will "Enhance The NAHRO Experience." All standing committees and taskforces have been advised to further discuss the objectives

via conference call prior to the upcoming Legislative Conference and then present an amended report to the NAHRO Board of Governors at their face-to-face meetings during the Conference. We welcome and look forward to the comments.

I look forward to seeing you in Washington, D.C. at the upcoming Legislative Conference. Please feel free to contact me if you have ideas and suggestions on how we can better address our industry's everyday challenges and be more productive.



**HOUSING AUTHORITY  
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**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

**Sean Rogan**  
Executive Director

March 24, 2010

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**JANITORIAL SERVICES CONTRACT  
(ALL DISTRICTS)**

**SUBJECT**

This letter recommends approval of a contract with Diamond Contract Services, Inc. to provide janitorial services for eighteen housing developments, the South Scattered Sites main office, and two Housing Authority administrative buildings.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a one-year contract, in the amount of \$412,943, with Diamond Contract Services, Inc. for janitorial services at eighteen housing developments, the South County main office, and two Housing Authority administrative buildings.
2. Recommend that the Board of Commissioners authorize the Executive Director to use for this purpose \$68,823 included in the approved Housing Authority's approved Fiscal Year 2009-10 budget and \$344,120 to be requested through the Housing Authority's Fiscal Year 2010-11 annual budget approval process.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the contract, following approval as to form by County Counsel, to extend the term for a maximum of four additional years, in one-year increments, with an annual compensation of \$412,943 plus a cost of living increase not to exceed the Consumer Price Index (CPI) for the County of Los Angeles as determined by the U.S. Bureau of Labor Statistics, using funds to be requested through the Housing Authority's annual budget approval process.

4. Recommend that the Board of Commissioners authorize the Executive Director to amend the contract to add or delete sites, modify the scope of work, and increase the annual compensation by 10% for unforeseen project costs.
5. Recommend that the Board of Commissioners find that approval of the contract is exempt from the California Environmental Quality Act (CEQA) because the proposed activity will not have the potential for causing a significant effect on the environment.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The proposed contract provides for basic janitorial services such as sweeping, vacuuming, dusting and other cleaning services to ensure the facilities are clean and available for regular use.

A total of 21 locations will receive janitorial services under the contract, including the Housing Authority administrative office in Santa Fe Springs, the Mary B. Henry Community Clinic and the South Scattered Sites main office in unincorporated South Los Angeles. The contract also provides for janitorial services in the common areas of 18 Housing Authority housing developments: Francisquito Villa, Herbert Apartments, South Bay Gardens, Century and Wilton, Kings Road, Palm Apartments, Westknoll Apartments, Carmelitos, Harbor Hills, Marina Manor I and II, Lomita Manor, Whittier Manor, Sundance Vista, West 90<sup>th</sup> Street, the South Scattered Sites main office, Lancaster Homes, Orchard Arms and Foothill Villa.

The common areas include community kitchens, rooms and restrooms; conference rooms; classrooms; computer and other training rooms; offices; elevators; lobbies; hallways; and laundry rooms.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund.

The cost for the first year is \$412,943, of which \$68,823 is budgeted in the Housing Authority's approved Fiscal Year 2009-10 budget, and the remaining \$344,120 will be requested through the 2010-11 annual budget approval process. The \$68,823 for Fiscal Year 2009-10 is comprised of \$49,552 in Conventional Public Housing Program funds allocated by the U.S. Department of Housing and Urban Development (HUD), \$2,015 in Project-Based Section 8 Program funds allocated by HUD, \$4,106 from Kings Road Operating Revenue, \$12,482 in Section 8 Operating Funds allocated by HUD, and \$668 in Community Development Commission general funds.

If extended, the cost of the second through fifth years of the contract will remain at the same annual amount of \$412,943, excluding CPI increases and contingency monies, using funds to be requested through the Housing Authority's annual budget approval process. The maximum amount for all five years of the contract, if fully extended, will be \$2,064,715, excluding CPI increases and contingency.

A 10% contingency, in the amount of \$41,294 for the first year, and the same amount plus CPI increases for the second through fifth years, is also being set aside for any unforeseen project costs, using the same source of funds described above.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Diamond Contract Services, Inc. will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

Diamond Contract Services, Inc., has met the requirements of the Living Wage Program and agrees to pay living wage hourly rates to full-time employees while providing services under the contract.

### **ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (b)(3) because it involves maintenance activities that will not have a physical impact or result in any physical changes to the environment. The action is exempt from the provisions of CEQA pursuant to State CEQA Guideline 15301 because it involves activities that do not have the potential for causing a significant effect on the environment.

### **CONTRACTING PROCESS**

On September 29, 2009, a Request for Proposal (RFP) process was initiated to identify contractors to provide janitorial services for the Community Development Commission and Housing Authority offices and housing developments. Notices were mailed to 201 vendors from the Housing Authority vendor list. A copy of the RFP was also posted on the Housing Authority and County websites.

A Pre-Proposal Conference was held at Community Development Commission headquarters. A total of 37 contractors participated in the Pre-Proposal Conference. On November 30, 2009, nine proposals were received. One vendor was found to be non-responsive and was disqualified.

In December 2009, a staff panel evaluated the proposals and ranked each firm independently. Using the informed averaging method, Diamond Contract Services, Inc. was determined to be the most qualified vendor based on criteria stated in the RFP and is therefore being recommended for the contract award. The Summary of Outreach Activities is provided as Attachment A.

### **IMPACT ON CURRENT PROJECT**

The proposed contract will provide needed janitorial services for locations owned, leased or managed by the Housing Authority and continue to provide the residents with decent, safe and sanitary living conditions.

Respectfully submitted,

  
SEAN ROGAN  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### Janitorial Services

On September 29, 2009, the following outreach was initiated to identify Janitorial Service contractors to provide necessary janitorial services for the Commission/Housing Authority.

##### A. Announcement

An announcement was posted on the County's WebVen website and on the Commission/Housing Authority website.

##### B. Distribution of Notices

The Commission/Housing Authority's vendor list was used to mail out the Request for Proposals (RFP) notices to 201 janitorial service contractors, of which 135 identified themselves as firms owned by minorities or women (private firms that are 51 percent owned by minorities or women, or publicly owned businesses, in which 51 percent of the stock is held by minorities or women). As a result of the outreach, nine proposals were received.

As a result of the outreach 40 solicitation packages were downloaded.

##### C. Proposal Results

On November 30, 2009, nine proposals were received. One proposal was found to be non-responsive and was disqualified. The eight proposals that met the minimum requirements were forwarded to the five-member evaluation panel for further review. The evaluation committee used the "informed averaged" scoring methodology using a 1,000 points system as established in the solicitation package. The evaluation criteria consisted of qualifications (experience, background, references, etc.) approach to providing the services, Section 3, Living Wage Program and costs. The final evaluation results are as follows:

• Diamond Contract Services, Inc.	892.5
• PJ Cephas Corporation	888.5
• Lincoln Training Center	876.0
• Lee's Maintenance Service, Inc.	549.0
• QCS Building Services, Inc.	834.0
• Expert Building Maintenance, LLC	710.0
• Julie-Rene's Cleaning Service, LLC	692.5
• Best Building Maintenance, Inc.	625.5

Diamond Contract Services, Inc. is being recommended for the contract award for janitorial service based on the evaluation criteria set forth in the RFP.



## ATTACHMENT B

### Contract Summary

**Project Name:** JANITORIAL SERVICES  
**Location:** 18 housing developments, the South Scattered Sites main office and 2 administrative buildings owned, leased or managed by the Housing Authority.  
**Number:** CDC09-145  
**Contract Start Date:** May 1, 2010  
**Contractor:** Diamond Contract Services, Inc.  
**Purpose:** The purpose of this contract is to provide regular monthly janitorial services to 18 housing developments, the South Scattered Sites main office and 2 administrative buildings owned, leased or managed by the Housing Authority.

**Scope of Work:** See Attached Contract for the Scope of Work

**Term:** Upon execution, the contract shall remain in full force until April 30, 2011 unless sooner terminated or extended in writing.

**Option to Renew:** The Housing Authority has the option to renew the contract for four (4) additional one year terms, unless sooner terminated or extended in writing.

**Liquidated Damages:** In the event of a breach of contract, as it relates to the Living Wage Program the Housing Authority may, at its sole discretion, assess against the Contractor liquidated damages of Fifty Dollars and Zero Cents (\$50) per Employee per day for each and every instance of an underpayment to an employee. The Housing Authority may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

**Performance Review:** A performance review shall be conducted periodically to ensure the Contractor is performing specifically to the instructions of the contract. Based on the assessment of the performance review, written notification will be given to the Contractor to correct any deficiencies and then determine whether the agreement will be terminated at the end of the current year or will be continued into the next contract year.

**Compensation:** The Contractor shall be paid full compensation for the work required, performed, and accepted, an annual amount of \$412,943, which includes \$67,730 for as needed services. There is also a 10% contingency in the amount of \$41,294. After the first year, the Housing Authority may extend the contract for an additional four years, in one-year increments, contingent upon availability of funds. The Housing Authority will use funds to be approved through the annual budget process.



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**Mark Ridley-Thomas**  
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**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

March 24, 2010

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**CONSTRUCTION CONTRACT FOR THE SOUTH SCATTERED SITES UNIT  
REHABILITATION PROJECT  
(DISTRICT 2)**

**SUBJECT**

This letter recommends approval of a construction contract with Dan Contractor for interior rehabilitation work at six housing units in unincorporated South Los Angeles. The units are part of the Housing Authority's South Scattered Sites.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a contract in the amount of \$126,300 to Dan Contractor, to complete interior rehabilitation work at six housing units located throughout unincorporated South Los Angeles, following approval as to form by County Counsel.
2. Recommend that the Board of Commissioners authorize the Executive Director to use up to \$126,300 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.
3. Recommend that the Board of Commissioners authorize the Executive Director to approve contract change orders not exceeding \$25,260 for unforeseen project costs, using the same source of funds.



4. Recommend that the Board of Commissioners find that the approval of the contract is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The contract will provide for interior rehabilitation including drywall repair, flooring replacement, kitchen and bathroom rehabilitation, light fixtures and smoke detectors replacement, electrical replacement, minor hazardous material abatement, and other associated work for six units located throughout the South Scattered Sites area. The units are damaged due to deterioration caused by normal wear and tear, resident damage and water leaks. All six units are currently vacant.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund. The improvements will be funded with up to \$126,300 in CFP funds allocated by HUD and included in the Housing Authority's approved Fiscal Year 2009-10 budget.

A 20% contingency, in the amount of \$25,260, is also being set aside for unforeseen costs, using the same source of funds. The contingency is recommended because rehabilitation work often reveals additional damage not identified in the initial scope of work.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The six units are located at the following addresses: 1617 E. 87<sup>th</sup> Street, Unit B; 1101 W. 91<sup>st</sup> Street, Unit 8; 1338 W. 105<sup>th</sup> Street, Unit 4; 1340 W. 105<sup>th</sup> Street, Unit 9; 11126 S. Budlong Avenue, Unit A; and 1949 E. El Segundo Avenue, Unit 10. All are in unincorporated South Los Angeles.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Dan Contractor will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

### **CONTRACTING PROCESS**

On December 31, 2009, the Housing Authority initiated an outreach to identify a contractor to complete the improvements at the subject properties. Invitations for Bids were mailed to all 621 Class B licensed contractors identified from the Housing Authority's vendor list. Advertisements also appeared in eight local newspapers and on the County WebVen website. Twenty-five bid packages were requested.

On February 4, 2010, twelve bids were received and formally opened. The lowest bidder, Dan Contractor was determined to be the most responsive and responsible and is being recommended for the contract award. The Summary of Outreach Activities is provided as Attachment A.

### **ENVIRONMENTAL DOCUMENTATION**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the CEQA pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROJECT**

The award of the contract will allow the Housing Authority to complete interior rehabilitation improvements for six South Scattered Sites housing units, in order to provide future residents with decent, safe and sanitary living conditions.

Respectfully submitted,

  
 SEAN ROGAN  
Executive Director

Attachments: 2

## ATTACHMENT A

### Summary of Outreach Activities

#### South Scattered Sites Units Rehabilitation Project

On December 31, 2009, the following outreach was initiated to identify a contractor for the interior rehabilitation of 6 housing units located at the following addresses: 1617 E. 87<sup>th</sup> Street, Unit B; 1101 W. 91<sup>st</sup> Street, Unit 8; 1338 W. 105<sup>th</sup> Street, Unit 4; 1340 W. 105<sup>th</sup> Street, Unit 9; 11126 S. Budlong Avenue, Unit A; and 1949 E. El Segundo Avenue, Unit 10, in the unincorporated area of South Los Angeles County.

#### A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

Dodge Construction News	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
La Opinion	Wave Community Newspapers

An announcement was also posted on the County website.

#### B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out Invitations for Bids to 621 B-licensed contractors, of which 526 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, twenty-five bid packages were requested.

#### C. Pre-Bid Conference and Site Walk

On January 14, 2010 a mandatory pre-bid conference and site walk was conducted. Thirty-nine firms were in attendance.

#### D. Bid Results

On February 4, 2010, a total of twelve bids were received and publicly opened. The bid result was as follows:

<u>Company</u>	<u>Bid Amount</u>
Dan Contractor	\$ 126,300
Corral Construction	\$ 129,484
Beverly Western Interiors	\$ 137,500
BREJ Corporation	\$ 158,000

Advantage Plumbing Group, Inc.	\$ 167,974
ARAMCO Construction, Inc.	\$ 172,733
Capital Development, Inc.	\$ 174,650
Omega Construction	\$ 210,537
Anderson Group International	\$ 219,183
AZ Home, Inc.	\$ 225,600
ZK Construction	\$ 226,500
Spec. Construction Co., Inc.	\$ 359,563

E. Minority/Female Participation – Selected Contractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Dan Contractor	Minority	Total: 3 3 Minorities 0 Women 100% Minority 0% Women

F. Minority/Female Participation – Contractors Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Corral Construction	Minority	Total: 6 6 Minorities 1 Woman 100% Minority 17% Women
Beverly Western Interiors	Minority	Total: 6 6 Minorities 0 Women 100% Minority 0% Women
BREJ Corporation	Minority	Total: 5 5 Minorities 1 Woman 100% Minority 20% Women
Advantage Plumbing Group, Inc.	Minority	Total: 7 6 Minorities 2 Women

		86% Minority 29% Women
ARAMCO Construction, Inc.	Non-Minority	Total: 4 0 Minorities 0 Women 0% Minority 0% Women
Capital Development, Inc.	Non-Minority	Total: 5 5 Minorities 2 Women 100% Minority 40% Women
Omega Construction	Minority	Total: 2 2 Minorities 1 Woman 100% Minority 50% Women
Anderson Group International	Minority	Total: 26  18 Minorities 12 Women 69% Minority 46% Women
AZ Home, Inc.	Non-Minority	Total: 14 9 Minorities 1 Woman 64% Minority 7% Women
ZK Construction	Non-Minority	Total: 3 2 Minorities 1 Woman 66% Minority 33% Women
Spec. Construction Co., Inc.	Non-Minority	Total: 16 9 Minorities 2 Women 56% Minority 13% Woman

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.



## ATTACHMENT B

### Contract Summary

**Project Name:** South Scattered Sites Units Rehabilitation Project  
**Location:** 1617 E. 87<sup>th</sup> Street, Unit B; 1101 W. 91<sup>st</sup> Street, Unit 8; 1338 W. 105<sup>th</sup> Street, Unit 4; 1340 W. 105<sup>th</sup> Street, Unit 9; 11126 S. Budlong Avenue, Unit A; and 1949 E. El Segundo Avenue, Unit 10 in the unincorporated area of South Los Angeles County  
**Bid Number:** CDC09-238  
**Bid Date:** February 4, 2010  
**Contractor:** Dan Contractor  
**Services:** The rehabilitation unit improvements include drywall repair, flooring replacement, kitchen and bathroom rehabilitation, light fixtures and smoke detectors replacement, electrical replacement, minor hazardous material abatement, and other associated work.

**Contract Documents:** Part A – Instructions to Bidders and General Conditions; Part B – Specifications; Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder; all Addenda to the Contract Documents.

**Time of Commencement and Completion:** The work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within one hundred and five (105) calendar days following the required commencement date.

**Liquidated Damages:** In the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Housing Authority the sum of **Five Hundred Dollars and Zero Cents (\$500.00)** as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner.

**Contract Sum:** The Housing Authority shall pay the Contractor for the performance of the Construction Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred Twenty-Six Thousand Three Hundred Dollars (\$126,300)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Construction Contract.

**Contract Contingency:** \$25,260



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

March 24, 2010

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**ADOPT A RESOLUTION ACCEPTING THE VOLUNTARY TRANSFER OF  
HOUSING CHOICE VOUCHERS FROM THE HOUSING AUTHORITY OF THE  
CITY OF PARAMOUNT TO THE HOUSING AUTHORITY OF THE  
COUNTY OF LOS ANGELES  
(ALL DISTRICTS)**

**SUBJECT**

This letter recommends approval of the voluntary transfer of Section 8 Housing Choice Vouchers from the Housing Authority of the City Paramount (Paramount) to the Housing Authority of the County of Los Angeles (HACoLA).

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners adopt and instruct the Chair to sign a resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Paramount to HACoLA; and authorize the Executive Director to submit the resolution and all related documents to the U.S. Department of Housing and Urban Development (HUD).
2. Recommend that the Board of Commissioners find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to transfer Paramount Section 8 Housing Choice Vouchers and Section 8 Annual Contributions Contract (ACC) budget authority to HACoLA. This will provide HACoLA with 203 additional Section 8 Housing Choice Vouchers, which can be used anywhere within HACoLA's jurisdiction, and which will continue to include the City of Paramount.

### **FISCAL IMPACT/FINANCING**

There is impact on the County general fund. Upon approval of the voucher transfer, HACoLA will receive 203 additional vouchers, which will equate to approximately \$202,623 in administrative fees and \$1,708,887 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In 1985, your Board authorized the execution of an Administration Agreement between the HACoLA and Paramount whereupon HACoLA has acted as an agent of Paramount for the Section 8 Housing Choice Voucher Program. HACoLA provides direct tenant services, including applicant selection, housing inspections, and tenant certifications. HACoLA is responsible for the issuance of housing assistance payment checks to landlords, program reporting, monitoring, and technical assistance. HACoLA also prepares annual Agency and Administrative Plans on behalf of Paramount for submission to HUD.

The Administration Agreement provides HACoLA with full administrative and operating responsibilities, including the receipt and disbursement of all program funds due under Paramount's ACC. A joint bank account has been established between Paramount and HACoLA for the receipt and disbursement of all program funds, including the payment of any preliminary and administrative fees to the HACoLA that are due under the ACC.

In recent years, HACoLA has found that it is no longer economically feasible administer the Housing Choice Voucher Program on behalf of Paramount in exchange for Paramount's Administrative Fee compensation under its ACC with HUD. Furthermore, the administrative burden occasioned by the administrative agreement has made the management and operation of both HACoLA's and Paramount's Housing Choice Voucher programs a difficult challenge.

In an effort to improve on the structure of the Housing Choice Voucher program and to bring stability to a program that has been extremely difficult to manage due to the uncertainty of annual funding for housing assistance payments and administrative fees, both HACoLA and Paramount have agreed to voluntarily transfer Paramount's program vouchers and corresponding budget authority to HACoLA. On March 2, 2010, Paramount's governing body adopted a resolution agreeing to the proposed voluntary

transfer of the Section 8 Housing Choice program vouchers and corresponding budget authority to HACoLA. The adopted resolution is attached.

Therefore, HACoLA requests your adoption of the attached resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Paramount to HACoLA. Upon adoption of the attached resolution, HACoLA will request that HUD consider the transfer of budget authority and corresponding vouchers for the Section 8 Housing Choice Voucher program from the Paramount ACC to the HACoLA Consolidated ACC. As part of the application process, HUD requires the approved resolution and at least 90 days notice before the requested effective date of the transfer.

### **ENVIRONMENTAL DOCUMENTATION**

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT PROGRAM**

Approval of this action will allow HACoLA to receive 203 additional vouchers, which will equate to approximately \$202,623 in administrative fees and \$1,708,887 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program. After the transfer is complete, the Paramount waiting list will be merged with the HACoLA waiting list using the applicant's original registration date. Additionally, HACoLA staff will no longer have to prepare separate Agency and Administrative Plans for Paramount, reducing the total workload associated with administering these vouchers.

HUD will complete the transfer of all Family Reports (form HUD-50058) so that all affected families will be recorded under HACoLA.

Respectfully submitted,



SEAN ROGAN  
Executive Director

Attachments: 2

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) SS.

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Laa Khan

(SEAL)

1. The first group of authors (e.g., [1, 2]) considers the problem of the stability of the motion of a system of particles in the field of a central body. The results of the calculations show that the system is stable for a wide range of initial conditions. The authors also show that the system is stable for a wide range of initial conditions.

[illegible]

CITY OF PARAMOUNT  
LOS ANGELES COUNTY, CALIFORNIA

PARAMOUNT HOUSING AUTHORITY  
RESOLUTION NO. HA 1-10

A RESOLUTION OF THE PARAMOUNT HOUSING AUTHORITY  
APPROVING THE VOLUNTARY TRANSFER OF HOUSING CHOICE  
VOUCHERS FROM THE PARAMOUNT HOUSING AUTHORITY TO  
THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, as a Public Housing Agency, the Paramount Housing Authority receives an allocation of Housing Choice Vouchers issued by the United States Department of Housing and Urban Development (HUD); and

WHEREAS, since 1985, the Paramount Housing Authority has contracted with the Housing Authority of the County of Los Angeles to administer the Section 8 Housing Choice Voucher program (the "Program") through HUD; and

WHEREAS, the Paramount Housing Authority and the Housing Authority of the County of Los Angeles opened a joint depository account for the receipt and disbursement of all Program funds and for the payment of preliminary and administrative fees to the Housing Authority of the County of Los Angeles which are allocated to the Paramount Housing Authority under its Annual Contributions Contract with HUD; and

WHEREAS, the Housing Authority of the County of Los Angeles notified the Paramount Housing Authority indicating that the Housing Authority of the County of Los Angeles could no longer administer the Program in accordance with the contractual rate of Administrative Fee compensation, which is an amount compensated through a formula devised by HUD; and

WHEREAS, HUD has issued policies (Notice PIH 2007-6 and PIH 2008-19), which outline the process by which a Public Housing Agency may voluntarily transfer its Housing Choice Vouchers and corresponding budget authority to another Public Housing Agency; and

WHEREAS, the Paramount Housing Authority considered this matter at its meeting of March 2, 2010.

NOW, THEREFORE, the Paramount Housing Authority hereby resolves as follows:

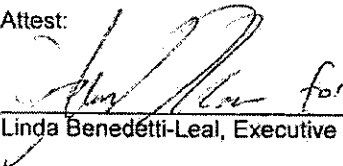
Section 1: The Paramount Housing Authority hereby approves the voluntary transfer of Housing Choice Vouchers and corresponding budget authority from the Paramount Housing Authority to the Housing Authority of the County of Los Angeles contingent upon approval of the transfer from HUD.

Section 2: The Paramount Housing Authority shall submit a letter to HUD, as per Notice PIH 2007-6 and PIH 2008-19, requesting the voluntary transfer to be approved by HUD. As per Notice PIH 2007-6 and PIH 2008-19, the effective date of the transfer will be a minimum of 90 days after the submittal of the letter and the approved resolution to HUD.

Section 3: The Paramount Housing Authority direct the Executive Director to transmit a copy of this Resolution to the Housing Authority of the County of Los Angeles.

PASSED, APPROVED, and ADOPTED by the Paramount Housing Authority this  
2<sup>nd</sup> day of March, 2010.

  
Peggy Lemons, Chairman


Attest:  
  
Linda Benedetti-Leal, Executive Director

STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES   ) ss.  
CITY OF PARAMOUNT        )

I, Lana Chikami, City Clerk of the City of Paramount, California, DO HEREBY CERTIFY that the foregoing **RESOLUTION NO. HA 1-10** was duly approved and adopted by the Commissioners of the Housing Authority at their meeting held on **March 2, 2010**, and said resolution has been signed by the Chairman and attested by the Executive Director, and that the same was approved and adopted by the following vote, to wit:

AYES:	COMMISSIONERS:	Hansen, Hofmeyer, Martinez Vice Chairman Daniels, Chairman Lemons
NOES:	COMMISSIONERS:	None
ABSENT:	COMMISSIONERS:	None
ABSTAIN:	COMMISSIONERS:	None

Dated: March 3, 2010

  
\_\_\_\_\_  
Lana Chikami, Deputy Secretary/City Clerk

(SEAL)



RESOLUTION AGREEING TO THE VOLUNTARY TRANSFER OF HOUSING CHOICE  
VOUCHERS FROM THE CITY OF PARAMOUNT HOUSING AUTHORITY TO THE  
HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, as a Public Housing Agency, the City of Paramount Housing Authority (Paramount) receives an allocation of Housing Choice Vouchers issued by the United States Department of Housing and Urban Development (HUD);

WHEREAS, since 1985, the Housing Authority of the County of Los Angeles (HACoLA) has been operating the Section 8 Housing Choice Voucher program (the "Program") on behalf of Paramount;

WHEREAS, Paramount and HACoLA opened a joint depository account for the receipt and disbursement of all Program funds and for the payment of preliminary and administrative fees to HACoLA which are allocated to Paramount under its Annual Contributions Contract (ACC) with HUD;

WHEREAS, HACoLA is no longer able to administer the Program on behalf of Paramount in exchange for Paramount's Administrative Fee compensation under its ACC with HUD;

WHEREAS, HUD has issued policies (Notice PIH 2007-6 and PIH 2008-19), which outline the process by which a Public Housing Agency may voluntarily transfer its Housing Choice vouchers and corresponding budget authority to another Public Housing Agency; and

WHEREAS, on March 2, 2010, Paramount's governing body adopted a Resolution agreeing to the proposed voluntary transfer of the Program vouchers and corresponding budget authority to HACoLA.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. The HACoLA hereby agrees to the proposed voluntary transfer of Housing Choice vouchers and corresponding budget authority from Paramount, contingent upon approval of the transfer from the HUD.
2. The Executive Director of the HACoLA shall submit a letter to HUD, as required per Notice PIH 2007-6 and PIH 2008-19, requesting that the transfer be approved by HUD.
3. As per Notice PIH 2007-6 and PIH 2008-19, the effective date of the transfer will be a minimum of 90 days after the submittal of the letter and the approved resolution to HUD.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this \_\_\_\_ day of \_\_\_\_\_, 2010.

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk of  
the Board of Commissioners

By: \_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chair, Board of Commissioners

APPROVED AS TO FORM:  
ANDREA SHERIDAN ORDIN  
County Counsel

By: \_\_\_\_\_  
Deputy



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office  
2 Coral Circle • Monterey Park, CA 91755  
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**Gloria Molina**  
**Mark Ridley-Thomas**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Sean Rogan**  
*Executive Director*

March 24, 2010

Honorable Housing Commissioners  
Housing Authority of the  
County of Los Angeles  
2 Coral Circle  
Monterey Park, California 91755

Dear Commissioners:

**INCORPORATION OF HOUSING ASSISTANCE PAYMENT FUNDS INTO THE  
HOUSING AUTHORITY'S APPROVED FISCAL YEAR 2009-10 BUDGET**

**SUBJECT**

This letter recommends incorporation of an additional \$18,000,000 into the Housing Authority's approved Fiscal Year 2009-10 budget to cover Housing Assistance Payments for Housing Choice Voucher (Section 8) participants.

**IT IS RECOMMENDED THAT YOUR COMMISSION:**

1. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2009-10 budget an additional \$18,000,000 in Housing Assistance Payments received from the U.S. Department of Housing and Urban Development (HUD) as a result of increased leasing to Section 8 participants.
2. Recommend that the Board of Commissioners find that the incorporation of funds is not subject to the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The incorporation of \$18,000,000 into the Housing Authority's approved Fiscal Year 2009-10 budget will cover the costs of Housing Assistance Payments (HAPs) for Section 8 participants.



### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund.

The Section 8 program receives federal funds from HUD to cover the HAPs made on behalf of Section 8 participants. A total of \$18,000,000 of these funds will be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

When the Fiscal Year 2009-10 budget was developed in December 2008, the Housing Authority's voucher allocation from HUD was 20,747 vouchers, and staff estimated the voucher lease-up rate to average 95% for the next Fiscal Year. However, the Housing Authority's voucher allocation increased to 20,980, due in part to additional port-in vouchers from other housing authority jurisdictions that are being absorbed. Additionally, the Housing Authority's additional lease-up efforts to assist low- and moderate-income participants resulted in an actual Fiscal Year 2009-10 lease-up rate of 99.4%.

The additional 4.4% lease-up rate and increased rental payment costs account for the increased HAPs of approximately \$18,000,000. Due to the increased lease-up efforts, the Housing Authority was able to assist approximately 1,144 additional households.

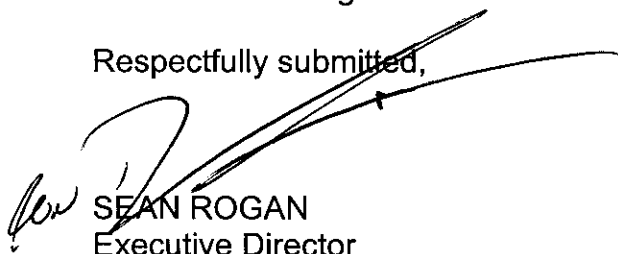
### **ENVIRONMENTAL DOCUMENTATION**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative and management activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

### **IMPACT ON CURRENT SERVICES AND PROJECTS**

The approval of the incorporation of funds will enable the Housing Authority to administer the funds necessary to assist low- and moderate-income participants of the Section 8 Housing Choice Voucher Program.

Respectfully submitted,



SEAN ROGAN  
Executive Director